Ministry of Agriculture Fisheries and Food and the Intervention Board

DEPARTMENTAL REPORT 1996



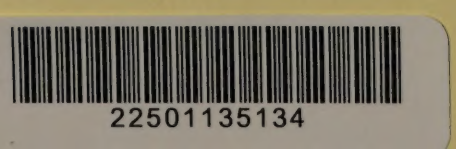
THE GOVERNMENT'S EXPENDITURE PLANS 1996-97 TO 1998-99

3204

This is part of a series of departmental reports (CM 3202 to 3220) which, accompanied by the document *Public Expenditure: Statistical Analyses* (CM 3201), present the Government's expenditure plans for 1996-97 to 1998-99. The complete series is also available as a set at a discounted price.



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THE GOVERNMENT'S
EXPENDITURE PLANS
1996-97 TO 1998-99

1996

Departmental Report by the
**Ministry of Agriculture,
Fisheries and Food
and the Intervention Board**

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by Command of Her Majesty
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The Minister of Agriculture, Fisheries and Food
The Rt Hon Douglas Hogg, QC MP

The Minister has overall responsibility for all issues. He represents the UK in the European Union Agriculture Ministers' Council.

The Minister of State and Deputy Minister
Mr Tony Baldry, MP



The Minister of State oversees policies relating to the fishing industry; agricultural policy and the Common Agricultural Policy (CAP); production and trade in cereals, sugar, oils and fats, milk and eggs, tropical food; set-aside and extensification; external trade policy relations with overseas countries and international organisations; Intervention Board (IB) and competition issues.



The Minister for Rural Affairs
Mr Tim Boswell, MP

The Minister for Rural Affairs oversees countryside matters, including agricultural land use, farm woodlands, diversification, environment and conservation policy, structures, land tenure, agricultural grants; horticulture and potatoes; plant health; plant variety rights and seeds; agricultural resources policy; forestry; regional administration; ADAS; flood defence; Research and Development (R&D); deregulation; economics and statistics; departmental central services and administration; Citizen's Charter; and the Private Finance Initiative (PFI). He is also the nominated 'Green Minister'.

The Minister for Food
Mrs Angela Browning, MP



The Minister for Food oversees policies relating to food safety; food science; animal health, veterinary medicines, meat hygiene; animal welfare; issues relating to the horse industry; pesticide safety; biotechnology; food and drinks industry matters; marketing; export promotion; emergency services and equal opportunities.

House of Lords

The Lord Lucas of Crudwell and Dingwall, Lord in Waiting, is the Department's spokesman in the House of Lords

Foreword by the Minister of Agriculture, Fisheries and Food

Since July 1995, I have been proud to represent the farming, fishing and food industries and the corresponding consumer interests as Minister for Agriculture, Fisheries and Food. I was already very aware of the importance of rural issues from my constituency duties but only since taking up my post have I realised the range and complexity of the responsibilities of the Ministry of Agriculture, Fisheries and Food (MAFF).

MAFF has many and diverse responsibilities with important implications for public safety, the rural economy, the environment, agricultural trade and animal welfare. Agriculture accounts for almost 80% of land use in the UK and still plays a significant part in the economic prosperity of this country.

Over the past year the work of protecting the public has been very prominent, above all because of BSE. This report documents the strict steps taken to eradicate BSE from the UK cattle herd and the marked fall in the number of cases over the past year. It also documents the steps taken, on the advice of scientists expert in this field, in order to eliminate any risk of BSE being communicated to human beings.

In 1995, I broadly endorsed the recommendations of the independent paper on Common Agricultural Policy (CAP) reform, commissioned by my predecessor. The proposed reform of the CAP would bring agriculture closer to a market-driven economy, while retaining clear objectives for other initiatives, such as the conservation of the environment, the maintenance of certain kinds of husbandry, the promotion of diversification and market development. The long term aim would be to remove the cost of the CAP from the consumer, with any necessary residual support for farmers being maintained by the taxpayer.

Another major event in 1995 was the preparation and publication of the White Paper on *Rural England*. One of the key features of this process was the widespread consultation and discussions which preceded the writing of the White Paper – and the White Paper itself was by no means the end of the matter. MAFF will, for example, be closely involved in the further consultations which are now necessary on improving planning guidance and rules so as to ensure that we put no unnecessary barriers in the way of the essential diversification of the rural economy, while at the same time, of course, ensuring that the rural environment is properly safeguarded.

The White Paper on *Rural England* emphasised our commitment to go on improving and developing our environmental schemes. I was delighted that, following the very rigorous public expenditure survey in 1995, I was able to announce extra funds for Countryside Stewardship rising to an additional £10m in 1998-99. Agriculture has such a vital role in safeguarding and enhancing our countryside that it is naturally a central concern for MAFF to do everything we can to see that farming is as environmentally sensitive as possible.

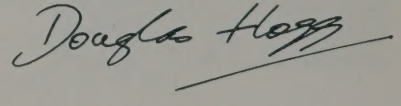
I place a high emphasis on government being as deregulatory as possible. I continuously look for ways of cutting red tape. While rules and regulations are, in many cases, the inevitable

consequence of the adoption of European legislation, implementation should place as small a burden as possible on those affected by the legislation. MAFF ensures this is the case by regular consultation with interested parties before legislation is agreed and by monitoring any variations in application in other Member States. MAFF has also developed new techniques to ensure that we go no further than the EC legislation requires, nor duplicate existing national legislation when implementing Community legislation. In similar vein, an Efficiency Scrutiny has been established to reassess the need for all the paperwork that farmers have to complete. I expect the Scrutiny team to produce firm recommendations shortly.

There is a great deal of public concern about animal welfare. I take this concern seriously. Last June, the Community was persuaded to agree to rules setting out time limits and travelling conditions for the transport of live animals. We have consulted interested parties on the new rules and aim to have them all implemented by December 1996. The next objective is to seek European agreement for a ban on the crating system now used on the continent for the rearing of veal calves. We shall be negotiating to ensure that the conditions reflect as closely as possible current UK law which outlaws the use of this system.

This report sets out in some detail MAFF's expenditure plans for the next three years, following the Public Expenditure Survey (PES) round in 1995. While ensuring that funding is available to meet my priorities, such as safeguarding the Hill Livestock Compensatory Allowances and Fisheries Decommissioning Grants, MAFF has responded to the Government's policy of maintaining tight control of public expenditure. Savings have been found by holding the provision for future expenditure on many items to this year's level in cash terms. Significant savings have also been achieved through cutting the Department's administrative expenditure. Initiatives such as the Senior Management Structure Review and the Fundamental Expenditure Review have identified where savings might be made. The eventual privatisation of many parts of ADAS and the merging of the Veterinary Investigation Centres with the Central Veterinary Laboratory to form a new entity, the Veterinary Laboratories Agency, offer further scope to reduce running costs and to make MAFF more dynamic and efficient.

I am keen to promote a better understanding of MAFF's activities. The Departmental Report is one of a number of MAFF publications, many of which are listed in the bibliography. As MAFF's role develops into new areas, the department will strive to develop winning policies and communicate them effectively in publications such as this one.



The Rt Hon Douglas Hogg QC MP

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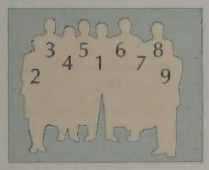
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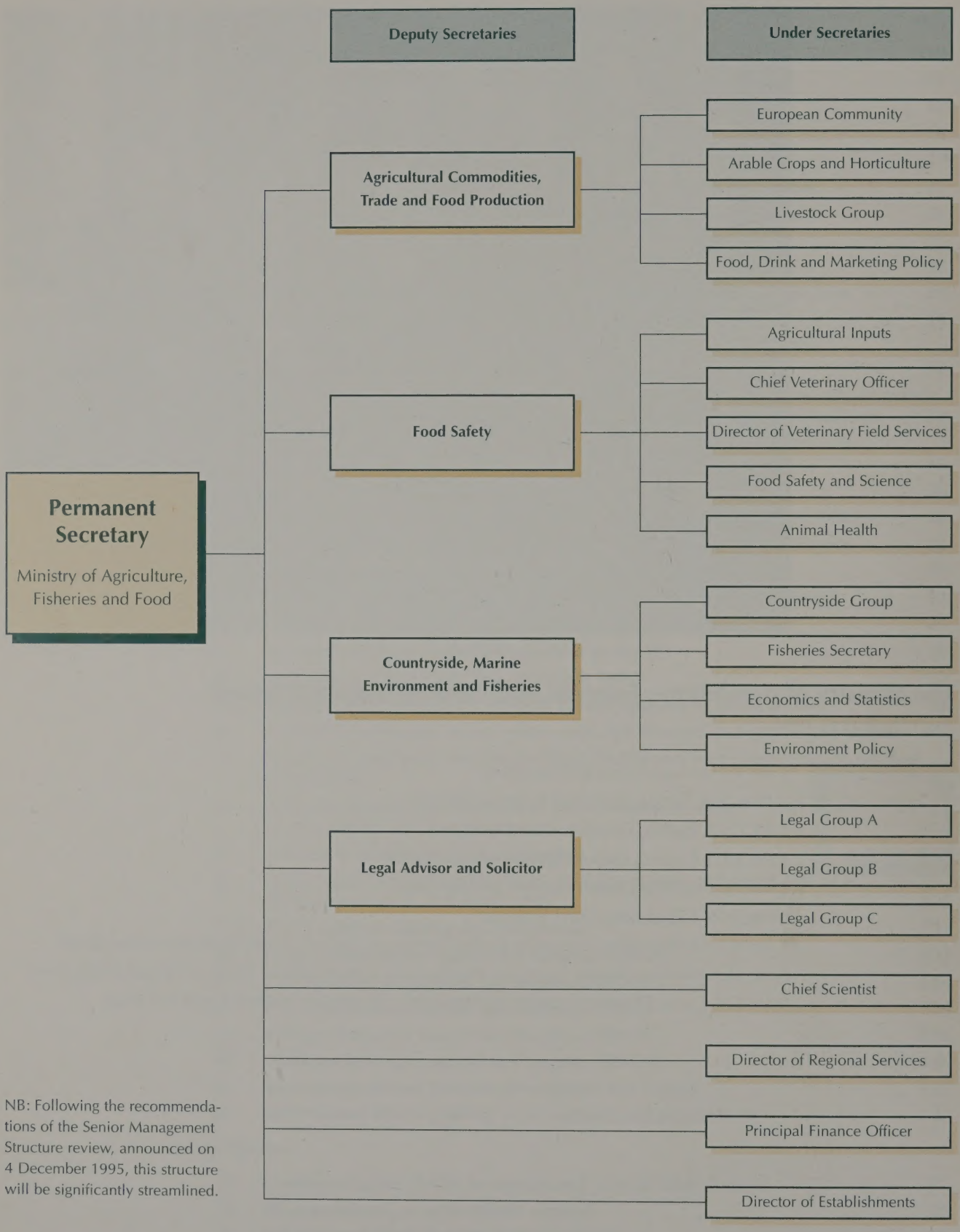
The Ministry of Agriculture, Fisheries and Food Management Board

As at December 1995



1 Mr R J Packer, Permanent Secretary
2 Miss V K Timms, Principal Finance Officer
3 Mr C J A Barnes, Director of Establishments
4 Mr R J D Carden, Deputy Secretary (Food Safety)
5 Mr J R Woolman, Legal Advisor and Solicitor
6 Mr D W F Shannon, Chief Scientist
7 Ms K S O'Donoghue, Secretary to the Permanent Secretary and Secretary to the Board
8 Mr D A Hadley, Deputy Secretary (Agricultural Commodities, Trade and Food Production)
9 Mr C R Cann, Deputy Secretary (Countryside, Marine Environment and Fisheries)

Ministry of Agriculture, Fisheries and Food Organisational Chart, as at 1 December 1995



NB: Following the recommendations of the Senior Management Structure review, announced on 4 December 1995, this structure will be significantly streamlined.

1.1 This is the sixth report of the Ministry of Agriculture, Fisheries and Food (MAFF) and the Intervention Board (IB). It reports on the year ending March 1996 and presents the Government's expenditure plans for these two Departments over the years 1996-97 to 1998-99. It also provides a record of expenditure from 1990-91.

1.2 The work of MAFF is very diverse. It centres upon the farming, food and drink, and fishing industries. Issues of concern range from public safety and animal welfare to the protection of the rural environment. MAFF is responsible for negotiating, and in large measure implementing, the Common Agricultural Policy (CAP) and Common Fisheries Policy (CFP) of the European Community (EC). MAFF is accountable for approximately £0.8bn (estimated outturn) of public expenditure in 1995-96 to meet these policy responsibilities. In some instances, MAFF's operational responsibilities are confined to England while the other Agriculture Departments have equivalent responsibilities in Scotland, Wales and Northern Ireland; in others, MAFF has the lead responsibility for Great Britain or the whole of the United Kingdom.[1] MAFF also has lead policy responsibility for most schemes administered by IB.

1.3 IB is a separate Government Department, answerable to the Minister of Agriculture, Fisheries and Food and to the Secretaries of State for Scotland, Wales and Northern Ireland. It has been an Executive Agency since 1990. It is the recognised UK body for the receipt and administration of the Guarantee section of the European Agricultural Guarantee and Guidance Fund (EAGGF), which funds the CAP. IB is accountable to the European Commission for the expenditure of these funds; it is a paying agency and it directly runs some CAP Schemes. MAFF and other Agriculture Departments administer the remaining CAP Schemes, which account for some 70% of the total sums involved. IB has also been appointed as the UK Co-ordinating Body responsible for promoting the harmonised application of Community rules within the UK.

1.4 IB is responsible for approximately £2.7bn (estimated outturn) of public expenditure in 1995-96 and will receive approximately £2.6bn from EC funds.

Economic Background

1.5 The relative importance of the industries with which MAFF deals in 1994 is listed overleaf. In 1994 UK trade in food, feed and drink amounted to £9.0 bn of exports and £14.8bn of imports.

[1] Full details of their expenditure can be found in their own Departmental Reports. The command numbers for these are CM 3214, CM 3215, and CM 3216 respectively. All are published by HMSO.

Category:	Gross Domestic Product		Employment
	£ billion	%	%
Food and Drink manufacturing	16.7	2.9	1.8
Food and Drink distribution	15.1	2.6	5.4
Catering	11.1	1.9	3.9
Agriculture	7.8	1.4	2.1
Fisheries	0.6	0.1	0.1 (Est)
Total	**51.3**	**8.9**	**13.3**

MAFF's Aims, Sub-Aims and Programmes

1.6 MAFF categorises the Department's expenditure by Aim and Sub-Aim according to the purpose of the activity. MAFF's Aims and Sub-Aims have not changed since last year.

1.7 Within the Aim/Sub-Aim structure there are 81 individual Programmes. There have been a few changes to the Programme structure since 1994-95. There are two new Programmes, RE3:07, the Countryside Stewardship Scheme and CE2:34, Fishery Management and Enforcement. The last was formed by switching some funds from CE2:31, which was called *Management and Structure of the UK Fishing Industry* and is now retitled *Fishery Structures*. As last year's Report predicted, the Programme IR2:05, Office Services, has been discontinued. This Programme's expenditure has been divided between IR2:03, Management of Accommodation and Property Resources and IR3:01, Management of Human Resources. Programme CE2:12 which was called *External Relations and Trade Promotion* is now retitled *International Relations and Export Promotion*. This describes the work carried out under the Programme more clearly. A list of the current Aims, Sub-Aims and Programmes can be found at Annex 5.

To protect the public

1.8 This is an area with a high public profile, with different issues coming to the fore from one year to the next. This year, there has been much concern about **Bovine Spongiform Encephalopathy** (BSE) and **Bovine Tuberculosis** (TB). There has been speculation of a link between BSE and the serious human disorder Creutzfeldt-Jakob's Disease. The number of cases of BSE has continued to fall away steeply but controls have been progressively tightened in line with authoritative scientific advice. They need to be strictly enforced. Efforts to reduce and in the long term eradicate TB and brucellosis need to be maintained.

1.9 Under this Aim, as elsewhere, MAFF looks to and acts upon the advice of the independent Advisory Committees, which are composed of the leading scientists in their field.

1.10 **EC single market legislation** is now nearly all in place. In implementing the single market legislation, UK regulations have been reduced in number and simplified, making them easier for business to use. Emphasis is now shifting to enforcement. The aim is to ensure that Community rules are applied similarly in all Member States, and that those enforcing the rules concentrate their efforts where risks are greatest, avoiding unnecessary burdens on business.

1.11 The **Meat Hygiene Service**, which started to operate in 1995, follows this approach. It has already demonstrated potential for delivering higher standards of hygiene, to the benefit of the public, with lower operating costs, to the benefit of industry.

1.12 New systems are also being developed for authorising **pesticides and veterinary medicines** to ensure a common EC approach. The new system should allow UK best practice to be adopted across all the Member States. This should reduce the variations from one Member State to another in both the cost charged to industry for authorisation and the level of rigour in the application of controls.

1.13 Another aim is to provide customers with clear, reliable information on which to base choice of diet. MAFF is simplifying regulations on **food composition and labelling**, to reduce burdens on industry; whilst under new EC rules consumers get better information on food labels.

1.14 Finally, this Aim also covers the alleviation of **flooding and coastal erosion**. MAFF provides advice and substantial grant aid to assist flood and coast defence authorities in England in supplying sound and sustainable defences and warning systems. MAFF is promoting a number of initiatives to improve value for money in the funding of essential defence works.

To protect and enhance the rural and marine environment

1.15 Under this Aim and elsewhere, one of MAFF's objectives is to take account of the principles laid down in the UK's sustainable development strategy and, in particular, of the need to strike a balance between economic development and environmental protection.

1.16 Following extensive consultation, the ***White Paper on Rural England*** was published jointly by the Minister and the Secretary of State for the Environment in October 1995. It comprehensively describes how sustainable development can be put into practice in rural areas. It also sets out a number of significant new initiatives, including MAFF's commitment to give high priority to expanding the Countryside Stewardship Scheme.

1.17 Arrangements have been put in place to ensure that the various **agri-environment schemes** take account of the views not only of other Government Departments and eminent bodies but also of local groups.

1.18 Despite significant reductions in the Public Expenditure Survey (PES) in 1995, funding was secured to expand the **Countryside Stewardship Scheme**, which MAFF takes over from

the Countryside Commission in 1996. A key objective will be to see that these funds are deployed on agreements which provide good value for money.

1.19 In 1996, the second five-yearly reviews of the five Stage I **Environmentally Sensitive Areas** (ESAs), which were launched in 1987, will take place. Those of the five Stage II ESAs (launched in 1988) will take place in 1997.

1.20 In 1996, MAFF will also be completing the implementation of the EC Nitrate Directive and finalising the details of the restrictions to apply in the **Nitrate Vulnerable Zones** (NVZs). Farmers in NVZs will be eligible for Farm Waste Grants.

1.21 From 1 April 1996 MAFF will assume responsibility for paying Grant-in-Aid in support of the **Environment Agency's fisheries functions**. The intention is that an increased proportion of the Agency's costs in this area should be met by those benefiting from this work.

To improve the economic performance of the agriculture, fishing and food industries

1.22 Most aspects of farming are regulated in detail by the **CAP**. MAFF and IB must administer the rules strictly or face 'disallowance' (denial of reimbursement of expenditure from the EC budget).

1.23 Within these constraints, and those on its running costs, MAFF aims to operate the CAP efficiently and fairly. Further effort has been devoted to making the rules as comprehensible as possible to farmers. MAFF intends to introduce improved arrangements for farmers to appeal against decisions they regard as unfair.

1.24 MAFF leads for the UK in the negotiations on the CAP at EC level. It continues to argue for a more economically rational policy. The pressures on the CAP over coming years – particularly as a result of the expected enlargement of the EC to the East and the planned resumption of international trade negotiations – will be intense. The expectation must be for substantial complex negotiations offering the prospect of real change.

1.25 As a contribution to this objective the Minister published in July 1995, and largely endorsed, a report by a group of independent people set up by his predecessor. This was entitled *European Agriculture: the Case for Radical Reform.*

1.26 The CAP's influence on prices and volume of farm products and its associated trade rules, have a major impact on the food and drink manufacturing and retailing industries and on consumers. MAFF involves their representatives closely in its policy activities.

1.27 Many of the marine fish stocks of importance to the UK fleet are under severe pressure. In order to remedy this, the UK, along with other Member States, is seeking to reduce the size of its fishing fleet with the assistance of decommissioning grants. The Council of Fisheries

Ministers also had to take a series of difficult decisions reducing **fishing quotas** for 1996 and, at the UK's urging, agreed to decide before the end of the year on improved conservation measures, including ways of making fishing gear more selective. From the beginning of 1996 the UK, together with other Member States, has been implementing the new controls on fishing efforts in western waters which were agreed by the Council of Fisheries Ministers in October 1995. The UK played a leading role in securing controls which were much less bureaucratic than originally proposed, but which should still enable effort to be monitored effectively.

1.28 MAFF has also set up a new **Fisheries Conservation Group** to bring together fishermen, scientists and administrators to discuss ways of improving the conservation of stocks; and the Common Fisheries Policy (CFP) Review Group, which started work in the spring of 1995, is expected to report early in 1996.

To protect farm animals

1.29 **Animal welfare** continues to be a matter of intense public interest. MAFF's objective is whenever possible to achieve agreement at European level on rules for the protection of farm animals. This generally results in the protection of the greater number of animals and ensures that the UK's commercial interests are not disadvantaged. In response to heightened public concern, efforts were concentrated in 1995 on the issue of transport of animals and a significant new EC agreement was achieved in mid-year; consultation with all interested parties is now in progress over how best to implement this in the UK. Negotiations are also underway on new EC rules for the production of veal calves, with the aim of securing more humane rules on diet and housing.

To ensure the best use of internal resources in support of the Ministry's business

1.30 The Department's **financial systems** are being developed so as to provide managers with improved means of costing and appraising the value of the resources which they control. This process will accelerate as the Department prepares for the introduction of resource accounting and resource budgeting. Specialised audit and staff inspection work will continue to underpin the Department's efforts to achieve proper control of and value for public money, with close involvement in the transfer of pay and grading responsibilities to Departments as from 1 April 1996, and improvement of control systems in the implementation of CAP payment schemes in the United Kingdom.

1.31 MAFF will take responsibility for approximately 40 properties from the Department of the Environment (DoE) on 1 April 1996, doubling the space in MAFF's charge. The programme of property disposal continues and accommodation in London has been reorganised. The new Central Science Laboratory near York will be ready for occupation in late summer 1996.

1.32 A report on MAFF's **Fundamental Expenditure Review** (FER) was sent to the Minister in June 1995. This built upon the work of three working groups, whose members included in each case an independent representative.

1.33 The **Private Finance Initiative** (PFI) is designed to promote more enterprising use of private sector capital in providing public services, although as emphasised by the Agriculture Select Committee in 1995, the foremost priority for all projects considered under the PFI must remain value for money. To date four PFI projects are under consideration (see IR2:03).

1.34 In common with all other departments, MAFF submitted an **efficiency plan** to the Prime Minister's Adviser on Efficiency in 1995. This year's efficiency plan has drawn upon the work carried out in the FER to identify savings and the strengths of MAFF's Financial Planning System. Further efficiency plans will be completed in 1996 and subsequent years.

1.35 In **personnel management**, priority over the next two years will be given to developments flowing from the Command Paper, *Taking Forward Continuity and Change*. The Senior Management Structure Review will reduce the number of senior staff significantly; increased delegation will be required so that responsibilities can be exercised at lower levels than at present. This will be challenging: staff will have to be trained to cope with the new situation. Management will need to respond flexibly and swiftly if strains appear.

1.36 Work will be taken forward on several personnel policies including:

- Introducing the Senior Civil Service (SCS – covers all officials at what was Grade 5 level and above)
- Devising and implementing new pay and grading arrangements for other staff
- Developing competences for core-MAFF staff below the SCS
- Preparing a training strategy
- Reviewing personnel management policies.

Research and Development (R&D)

1.37 MAFF has an extensive R&D programme in support of the Department's Aims. Its published research strategy sets out both the direction of research in the immediate future and longer term plans, to inform its research suppliers and the wider public. In 1995 MAFF published an Overview of Research giving examples of research projects that had been taken up by industry and policy makers for development and use.

1.38 The MAFF research programme has been analysed following the recommendations from the Government's Technology Foresight Initiative, announced in April 1995. This has shown that MAFF's research and its existing plans reflect closely the initiative's recommendations, so major re direction of the programme will not be required.

1.39 There are a number of other Government Departments which sponsor research in areas of interest to MAFF. Effective co-ordination to ensure no duplication of effort or gaps in research therefore remains important. Accordingly, MAFF will build upon the concordats it has agreed with the Biotechnology and Biological Sciences Research Council, the Natural Environment Research Council and the Medical Research Council and participate in bilateral and broader discussions with other government departments and the research councils.

MAFF's Executive Agencies

1.40 MAFF has six executive agencies employing 38% of its staff. Their Annual Reports provide full details of their activities, although Chapter 8 gives a brief summary. MAFF's agencies are:

- Veterinary Medicines Directorate (an agency since 1990)
- Veterinary Laboratories Agency (since 1990)
- ADAS (1992, owned jointly with Welsh Office)
- Central Science Laboratory (1992)
- Pesticides Safety Directorate (1993)
- Meat Hygiene Service (1995).

1.41 IB, while an agency, is a Department in its own right. As MAFF has the lead policy role in Community negotiations on the CAP, descriptions and costs of all schemes are given in the appropriate MAFF Programme. IB reports separately on its own performance in Chapter 9.

1.42 MAFF will work with its agencies through their Ownership Boards and in the context of each agency's framework document to encourage them to pursue continuing improvements in economy and efficiency. These objectives are enshrined in each agency's performance targets. For ADAS, the Department is committed to moving substantial parts of the agency's business towards privatisation on the timetable laid down by Ministers and announced in Parliament on 28 June 1995. Privatisation will, however, be subject to ADAS achieving agreed cost recovery and other targets.

Output and Performance Indicators (OPIs)

1.43 A review of OPIs was carried out in 1995 to meet a recommendation in the FER. The 1996 Departmental Report contains more performance indicators than before. Most relate to the financial year but some to the calendar year or a marketing year. Indicators of a programme's effectiveness are included under the individual programmes. Most indicators of administrative efficiency are included in Annex 16 to this Report together with the performance indicators for the *Commitment to Service* targets (see Bibliography). *Commitment to Service (2nd edition)*, a Citizen's Charter initiative, sets out the targets for the Regional Service Centres which administer the claims under the various CAP and agri-environment schemes.

1.44 IB also has a range of OPIs which are set out in more detail in Chapter 9.

Structure of the Report

1.45 The figures in the Departmental Report are reconcilable with those in the new Simplified Estimates. Tables reconciling the figures are contained at Annexes 2, 3, 4 and 5. The Estimates have to list separately demand-determined (non-cash limited) expenditure. Programmes with demand-determined expenditure are: PP1:03, PP1:04, PP2:01, PP2:02, CE1:03, CE1:20, CE1:21, CE1:24, CE2:02, CE2:22 and CE3:01. As in the Departmental Report, MAFF has chosen to place R&D expenditure in a separate section of the Estimates, which helps to maintain transparency between the two publications.

1.46 This Report consolidates expenditure by Programme (both Scheme Costs and Administration Costs) in the table which precedes each Programme entry (except scheme expenditure on R&D which is identified by Programme but separately listed in Chapter 7). For convenience, the Report shows expenditure on CAP schemes in the UK as a whole, identified by the Department which administers it. This applies whether or not the expenditure is fully funded by the EC. Where it is not, the domestically-funded elements are the responsibility of MAFF and the other Agricultural Departments, as the case may be. Receipts are also shown by Programme. Receipts relating to CAP expenditure represent receipts from the EC arising from CAP expenditure in the relevant financial year. Actual cash receipts under the CAP are received two months in arrears and therefore may differ from the amounts shown.

1.47 The tables at the start of each programme now break down the MAFF Scheme Costs to identify payments made to claimants of schemes operated by MAFF. Payments to individuals can be to representatives of the farming and fishing industries under the various CAP and agri-environmental schemes, grants to businesses related to the industries and payments of compensation to farmers under disease control legislation. The Scheme Costs in Chapters 2-6 also show the payments made from core-MAFF to the agencies. Where appropriate, the agencies' Scheme Costs in Chapter 8 identify payments to other agencies. The agencies' receipts line identifies separately payments made by core-MAFF and other agencies. Expenditure involving payments by MAFF to one of the agencies, for example, is counted three times; once as core-MAFF Scheme Costs, once as the agency's receipts and once as the agency's Administrative Costs. These lines allow the net cost to Government to be identified.

1.48 MAFF's organisational structure (page viii), does not precisely reflect the Aim/Sub-Aim/Programme Structure. In some cases several units contribute to one Programme. Where this happens, running costs are usually attributed using the results of work recording. One exception to this covers work by the Chief Scientist's Group, where running costs are allocated on the basis of the apportionment of the accompanying R&D programmes. Central services such as legal and scientific advice, finance and personnel have their own Programmes.

1.49 The 1996-97 Supply Estimates for MAFF and IB, the historic outturn for 1990-91 to 1995-96 and the expenditure plans up to 1998-99 are summarised in the Cash Plan Table (Annex 1). The Cash Plan Table is itself summarised in Table 1 at the end of Chapter 1.

1995-96 Estimated Outturn Figures

1.50 This Report includes estimates of expected outturn for the financial year 1995-96. The final figures will be published in the appropriation accounts for MAFF and the IB in October 1996.

1.51 The outturn for all voted domestic expenditure on agriculture, fisheries and food by MAFF is expected to be £789m, taking account of running cost increases of £7m granted by Parliament through end-year flexibility entitlement; this is £4m greater than the cash plan total of £785m shown in the 1995 MAFF/IB Departmental Report. An extra £1.5m was voted by Parliament to fund transitional relief on meat inspection charges for fresh meat plants.

1995 Public Expenditure Survey Outcome

1.52 Following the 1995 PES round, planned UK expenditure on the CAP is expected to rise to £3,002m in 1996-97, £2,974m in 1997-98, and £2,961m in 1998-99, an increase of £70m in 1996-97 compared with the previously announced baseline of £2,932m. This is mainly due to the weakening of sterling against the ecu. Provision for MAFF's spending on domestic agriculture has been set at £783.4m in 1996-97, £750.6m in 1997-98 and £730.3m in 1998-99. This is a decrease of £22.9m in 1996-97 compared with previously published baseline of £806.3m. The main changes arising from the survey were the expansion of the Countryside Stewardship Scheme (see Programme RE3:07 in Chapter 3), the closing of the EC Processing and Marketing Grants Schemes and the reduction in administrative running costs within the Department.

Conventions used in the Report

1.53 The following conventions and definitions are used throughout the report:

- All receipts are represented as negative figures
- Countries outside the EC are sometimes referred to in this report as 'Third Countries'
- The other Agriculture Departments are the Scottish Office Agriculture, Environment and Fisheries Department, the Welsh Office Agriculture Department and the Department of Agriculture for Northern Ireland. Occasionally in this Report the term is used to mean 'paying agencies for CAP Schemes other than MAFF in the United Kingdom'. Paying agencies other than MAFF are:
 Scottish Office Agriculture, Environment and Fisheries Department
 Welsh Office Agriculture Department
 Department of Agriculture for Northern Ireland
 Forestry Commission
 Countryside Commission
 Countryside Council for Wales
 Department of Education in Northern Ireland
- Some initiatives and statistical tables are emphasised by placing the text in grey parallel lines. The work carried out on these initiatives may not necessarily relate to work under the Programme where the boxes are placed.

Table 1: Summary Cash Plan

£ million	1990-91 outturn	1991-92 outturn	1992-93 outturn	1993-94 outturn	1994-95 outturn	1995-96 estimated outturn	1996-97 plans	1997-98 plans	1998-99 plans
A Intervention Board and EC Expenditure									
Market support – IB	1,231	1,150	1,014	1,045	438	506	588	549	532
Market support – MAFF	185	200	354	1,022	1,204	1,495	1,603	1,621	1,623
EC grants for school milk and milk products	31	33	36	31	16	16	17	14	14
Administration	39	55	43	45	39	49	47	46	48
Total Intervention Board and EC Expenditure	1,486	1,438	1,447	2,143	1,698	2,066	2,256	2,230	2,216
B Domestic Agriculture, Fisheries and Food									
To protect the public	121	136	125	138	130	160	140	137	135
To protect and enhance the rural and marine environment	62	112	129	138	105	100	119	129	139
To improve the economic performance of the agriculture, fishing and food industries	166	169	203	202	182	215	205	198	170
To protect farm animals	3	3	4	4	4	5	5	5	5
R&D	61	100	110	112	116	122	116	116	115
To ensure the best use of internal resources in support of the Ministry's business	136	153	162	191	188	201	185	162	162
Ministry Executive Agencies	89	36	12	7	2	20	-1	-9	-10
Credit Approvals	13	14	12	13	11	17	14	15	15
Total Domestic Agriculture, Fisheries and Food	**651**	**723**	**756**	**806**	**739**	**839**	**783**	**751**	**730**
of which:									
Central Government's own expenditure	764	848	923	988	880	973	928	895	875
of which:									
- ERDF									
- Civil defence				-4					
Central government support for local authorities	-114	-125	-166	-182	-141	-135	-144	-144	-144
of which:									
- Credit Approvals	13	14	12	13	11	17	14	15	15
Financing requirements of nationalised industries									
- Water authorities (land drainage)									
TOTAL MINISTRY OF AGRICULTURE, FISHERIES AND FOOD AND THE INTERVENTION BOARD (A+B)	**2,137**	**2,160**	**2,204**	**2,949**	**2,436**	**2,904**	**3,039**	**2,980**	**2,946**

By promoting food safety

Food Safety

Programme Code: PP1:01

(£'000)	Planned	Estimated Outturn	Plans		
	1995-96	1995-96	1996-97	1997-98	1998-99
MAFF Scheme Costs	2,573	2,828	2,394	2,394	2,394
of which payments to agencies	1,567	1,818	1,420	1,420	1,420
EC Receipts	-30	-30	–	–	–
MAFF Administration Costs	4,162	3,833	3,517	3,575	3,575

2.1 The objective of this Programme is that food sold in the UK should be safe for consumption. MAFF has in place a system for identifying food safety risks, which comprises surveys of food, investigations and research. In-house and independent experts provide systematic assessments of risk. Prompt action is taken to deal with problems as they arise and the results are always published.

Food Surveys

2.2 MAFF conducts a number of surveys for natural toxins and contaminants in food in the UK. Approximately 20 food surveys have been undertaken annually in recent years. No serious risks have been found but about one third have required some immediate action. Rapid dissemination of results is ensured by prompt publication in the monthly Food Safety Information Bulletin.

Independent Advisory Committees

2.3 MAFF relies heavily on expert independent Advisory Committees. MAFF shares joint responsibility for some of these with the Department of Health (DH); on others, MAFF takes the lead responsibility. More details are set out in Annex 14.

The Single Market Programme

2.4 EC Directives on colours, artificial sweeteners and miscellaneous food additives agreed in 1994-95 have been implemented by three new Regulations that came into effect on 1 January 1996, replacing nine previous main Regulations. Proposed EC measures on novel foods and flavourings have reached the stage of a Common Position of the Council and are likely to be adopted during 1996. Following UK insistence on a new scientific assessment and confirmation

that the risk was not as serious as commonly supposed, the EC Commission has revised its proposals to set limits on nitrates in lettuce and spinach, so that these should not now cause difficulty to UK growers. Negotiations have now started on other chemical contaminants, including mycotoxins and heavy metals. In 1996-97, MAFF will press for a sensible outcome of EC negotiations on contaminants and, with DH, will seek a simplification of EC legislation on food hygiene.

Local Authorities

2.5 Under the Food Safety Act 1990, local authorities inspect food businesses to check compliance with food law and to follow up complaints. They can serve improvement notices requiring businesses to remedy defects in hygiene within a stated period, or close businesses forthwith if necessary to avoid an imminent risk to public health. MAFF and DH (and their equivalents in Scotland, Wales and Northern Ireland) monitor local authority returns on inspections, with the latter leading on food hygiene inspections and microbiological contamination, and MAFF leading on food standards inspections, chemical contamination, composition and labelling. Inspection routines are designed to concentrate effort on the areas of greatest risk. Table 2 below summarises enforcement activity, under this Programme and PP1:08.

Table 2: UK Food safety and hygiene inspections

	1991	1992	1993	1994
No of UK visits/inspections*	915,000	894,000	869,000	859,000
Proportion of visits/inspections not requiring a follow-up visit	82%	83%	81%	80%

*Inspection under both a planned programme and in response to complaints; establishments can be visited more than once a year.

Milk Hygiene

Programme Code: PP1:02

(£'000)	Planned	Estimated Outturn	Plans		
	1995-96	1995-96	1996-97	1997-98	1998-99
MAFF Scheme Costs	1,363	1,363	1,304	1,364	1,364
of which payments to agencies	1,362	1,362	1,304	1,364	1,364
MAFF Administration Costs	201	180	130	134	134
Receipts	-1,299	-1,299	-1,299	-1,299	-1,299
Net Administration	-1,098	-1,119	-1,169	-1,165	-1,165

2.6 The objective of this Programme is to protect public health by ensuring that domestically produced milk meets statutory hygiene standards.

2.7 Dairy farms are periodically inspected by ADAS on behalf of Agriculture Ministers in England and Wales to ensure compliance with the Dairy Products (Hygiene) Regulations 1995 which set the standards of hygiene under which milk from cows, sheep and goats and buffaloes is produced for human consumption. All milk producers in England and Wales must be registered and are subject to inspection. In addition, untreated cows' milk for sale direct to consumers is subject to regular microbiological testing.

2.8 Hygiene inspection visits take place on average once every two to two-and-a-half years although producers with particularly high standards of hygiene are only visited every three to three-and-a-half years. Samples of untreated cows' milk are normally taken twice annually. Producers who fail to meet the statutory hygiene standards can ultimately be issued with a final notice cancelling their registration to produce milk for human consumption. MAFF seeks to recover the costs of the inspection and sampling programme by levying charges on producers. There are currently exemptions from charging for pre-registration visits to dairy farmers and for sampling visits to small producers in remote rural areas and farmhouse caterers. Charges for hygiene (but not sampling) inspections of farms producing milk from sheep, goats and buffaloes will be introduced shortly.

Table 3: The Milk Hygiene Programme in England and Wales

	1993-94	1994-95	1995-96*
Number of registered producers	28,887	28,093	27,430
Number of producers of untreated milk	979	830	720
Number of inspection/sampling visits:			
Chargeable	14,393	15,700	15,400
Non-chargeable	1,142	813	869
% of registered producers receiving routine inspections**	40%	44%	41%
Results:			
Number of final notices	47	55	55
Proportion of establishments served with final notices	0.16%	0.2%	0.2%
Number of Milk Hygiene Tribunals ***	0	0	0
Cost recovery	98%	89%****	88%

* Estimate. From 1995-96 pre-registration visits to goats, sheep and buffaloes milk producers are included.
** Excludes follow-up visits, non-chargeable visits and sampling visits.
*** Abolished with effect from 9 May 1995; appeals from this date are made via Magistrates Courts.
**** Late payments by farmers under new procedures have decreased the recovery rate temporarily.

2.9 Following a delay pending the Council's adoption of a series of Commission amendments, the EC Milk Hygiene Directive (92/46) was implemented in England and Wales on 9 May 1995 by the Dairy Products (Hygiene) Regulations. These Regulations provide for the continuation of inspections on much the same basis as they are currently carried out.

2.10 The key task for 1996 is to review the Government's policy on sales of untreated milk in England, Wales and Northern Ireland (such sales are already banned in Scotland). The review is in response to a recommendation by the Advisory Committee on the Microbiological Safety of Food and will take place as soon as the results of a DH study of the microbiological quality of raw milk has been completed.

Meat Hygiene

Programme Code: PP1:03

(£'000)	Planned	Estimated Outturn	Plans		
	1995-96	1995-96	1996-97	1997-98	1998-99
MAFF Scheme Costs	1,887	598	1,327	1,327	1,327
of which payments to agencies	351	153	280	280	280
Non EC Receipts	-975	-450	-487	-487	-487
MAFF Administration Costs	5,857	4,620	4,463	4,280	4,280
Receipts	-119	-156	-101	-101	-101
Net Administration	5,738	4,464	4,362	4,179	4,179

2.11 The objectives of this programme are to ensure that meat for human consumption is hygienically produced and wholesome and commands the confidence of consumers, that EC legislation and its implementation take account of UK interests, and that statutory requirements are effectively enforced.

2.12 EC legislation provides the framework for hygiene requirements for meat. In Great Britain, Agriculture Ministers, advised by the State Veterinary Service, license premises. The Meat Hygiene Service (MHS), an Executive Agency of MAFF, took over responsibility for enforcement of hygiene, inspection and welfare requirements in licensed premises from local authorities on 1 April 1995. The MHS charges its enforcement costs to industry. Further information on the MHS can be found under the programme entry for EA1:06, in paragraphs 8.34 to 8.41.

2.13 Scheme costs relate to advice and consultancy from the Veterinary Laboratories Agency (VLA) and ADAS and certain non-chargeable costs of the MHS and the Meat Hygiene Appeals Tribunal which considers appeals against Ministers' decisions to refuse or revoke premises' licences.

2.14 MAFF Scheme Costs for 1995-96 were lower than planned because setting up a proposed survey on trichinellosis was delayed pending decisions in Brussels, and the MHS took over responsibility for the inspection and certification of meat for export to third countries, previously performed by Local Veterinary Inspectors appointed and paid for by MAFF who reclaimed the cost from the exporters.

Licensing of Fresh Meat Premises

2.15 Licensed premises are slaughterhouses, cutting plants, cold stores, re-wrapping centres, farmed game handling/processing facilities and wild game processing facilities. In 1995, licences were granted to 16 red meat, 24 white meat and 16 wild game premises; four premises were refused licences. At the end of 1995, 1,058 red meat, 216 white meat and 17 wild game premises were licensed in England. The corresponding figures for the end of 1994 were 1,355 red meat premises and 138 white meat premises.

2.16 In the light of industry concern that these rules affecting the future of slaughterhouses and meat plants should be equitably applied, all applications were scrutinised closely by Ministers as well as officials.

Meat Hygiene Appeals Tribunal

2.17 The Meat Hygiene Appeals Tribunal considered eight appeals during 1995. The Tribunal confirmed Ministers' conclusions in all cases. However, in two cases it recommended that the licences should not be revoked because progress had been made towards compliance with the Regulations between the revocation decision and the hearing.

Legislation

2.18 Following a review of its impact on small premises, the EC Fresh Meat Directive was amended in June 1995. Directive 92/5 on Meat Products was amended to take account of technological advances.

2.19 Following a review under the Deregulation Initiative, amended Regulations on fresh meat and poultry meat came into force in April 1995. These Regulations and new Regulations on meat inspection charges also transferred responsibility for enforcement to the MHS.

2.20 The Wild Game Meat (Hygiene & Inspection) Regulations 1995 came into operation in September. These Regulations apply only to premises which export or wish to use the EC health mark on their product. The Minced Meat and Meat Preparation (Hygiene) Regulations 1995 came into force on 1 January 1996. These Regulations allow domestic producers to meet less onerous standards than those applying to mince or meat preparations traded between Member States.

Review of Meat Inspection Systems

2.21 In Europe the Scientific Veterinary Committee has begun to review red meat inspection protocols. MAFF will be pressing for a reappraisal of meat inspection systems during 1996-97, based on up-to-date risk assessment.

Bovine Spongiform Encephalopathy(BSE)

Programme Code: PP1:04

(£'000)		Planned	Estimated Outturn	Plans		
		1995-96	1995-96	1996-97	1997-98	1998-99
MAFF Scheme Costs		17,364	14,778	12,281	10,130	8,130
of which	payments to agencies	1,083	1,711	2,435	2,306	2,306
	payments to individuals	16,096	12,899	9,641	7,641	5,641
MAFF Administration Costs		5,752	4,636	3,699	3,192	3,192

2.22 The objectives of this Programme are to control and if possible eradicate Bovine Spongiform Encephalopathy (BSE) and to ensure that material which may harbour the infective BSE agent does not enter the food chain.

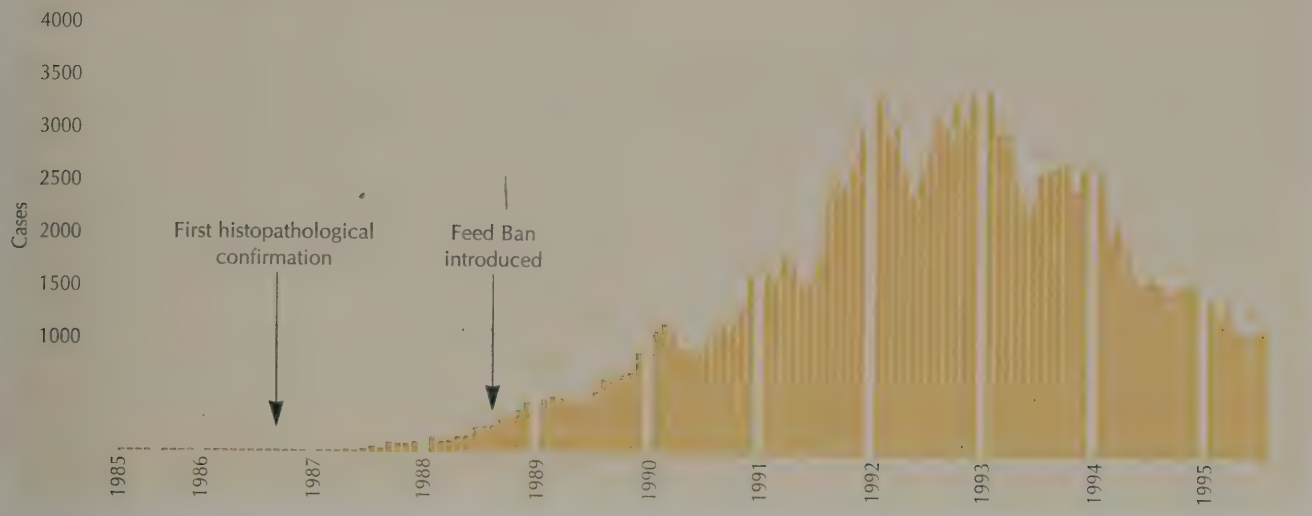
2.23 MAFF pursues these objectives in four main ways: first, by banning the use for any purpose of certain offals (SBOs) most likely to harbour BSE infectiveness: secondly, through compulsory slaughter with compensation for all cattle suspected of having BSE: thirdly, by maintaining the ruminant feed ban to prevent further transmission of the BSE agent via feed: and fourthly, by extensive research to learn more about the disease and measures to control it and protect public and animal health.

Table 4: Expenditure on BSE suspects and research in Great Britain

(£'000)	1991-92	1992-93	1993-94	1994-95	1995-96 Forecast
Compensation to farmers with suspect BSE cases	10.5	19.4	31.0	18.4	9.6
Slaughter and disposal of carcases	8.3	10.5	8.7	5.5	3.3
Ex-gratia payments	0.7	1.3	1.8	1.4	0.6
Research	5.0	5.9	5.7	5.8	5.4

2.24 BSE declined markedly during the year, indeed more rapidly than expected, resulting in lower than forecast expenditure on compensation payments. Provision for compensation payments in future years reflects the expectation that this decline will continue.

Figure 1: Confirmed cases of BSE by month and year of clinical onset



2.25 The incidence of BSE in cattle born after the feed ban was introduced in 1988 shows that controls in slaughterhouses and rendering plants have not been fully effective. This was confirmed by surveillance (unannounced inspections by the State Veterinary Service) during the summer of 1995 which revealed a level of failure to comply with the rules, which although not high, called for further enforcement action. Recent surveillance has shown that there has been a significant reduction in the failure rate. Significant measures tightening the controls were introduced in August 1995 to minimise the problems of contamination in the animal feed chain, and in December 1995 to prohibit the use of meat recovered by mechanical means (MRM) from the vertebral columns of cattle. Steps are also being taken to monitor possible cross contamination in feed mills. The recent heightened public concern about BSE emphasises the need for full compliance with the various controls and for their rigorous enforcement.

2.26 EC rules on the export of beef were revised in June 1995 to allow unrestricted export of meat from animals aged 30 months or less (instead of animals born after 1 January 1992).

2.27 The Government finances extensive research into BSE and the level of funding for this will be increased in 1996-97, from £5.4m to £6.4m despite cuts in other parts of MAFF's research programme (see also Chapter 7). The results of research into BSE continue to be published as they become available, and their implications considered by scientific experts in the independent Spongiform Encephalopathy Advisory Committee (SEAC), an NDPB set up in 1990 to advise MAFF and DH on matters related to spongiform encephalopathy.

Veterinary Medicines

Programme Code: PP1:05

(£'000)	Planned	Estimated Outturn	Plans		
	1995-96	1995-96	1996-97	1997-98	1998-99
MAFF Scheme Costs	1,624	2,824	2,460	2,471	2,471
of which payments to agencies	1,624	2,824	2,460	2,471	2,471
MAFF Administration Costs	549	467	191	191	191
Receipts	–	–	-148	-148	-148
Net Administration	549	467	43	43	43

2.28 MAFF's objectives for this Programme are to ensure the safety, quality and efficacy of veterinary medicines in the UK, and thereby safeguard public health, animal health and the environment, and promote animal welfare. This is achieved through the authorisation and control of the manufacture and marketing of veterinary medicines, comprehensive post-authorisation surveillance and an R&D programme.

2.29 This Programme provides for payments to an Executive Agency, the Veterinary Medicines Directorate (VMD) for policy work, which includes providing Ministers with advice on veterinary medicine issues and the non statutory residues surveillance programmes for veterinary medicines. Marketing authorisation and statutory residues surveillance work are also undertaken by VMD and the costs of this are recovered from fees and charges paid by the respective industries (see Programme EA1:05 in Chapter 8).

2.30 During 1995 concerns continued to be expressed about the safety of operators using organophosphorus (OP) sheep dips. A review of the current control measures has begun and a Government-funded research contract to detect pre-determined effects of using OP dips was awarded.

2.31 The European Medicines Evaluation Agency was established in London (see also Chapter 8) and new European procedures for the authorisation of veterinary medicines were introduced. Guidance was given to the veterinary profession on the interpretation of new regulations concerning the administration of veterinary medicines.

2.32 Surveillance for residues of veterinary medicines in meat and animal products indicates that the risk to consumers is negligible and that there is no evidence of illegal use of banned substances.

Pesticides Safety

Programme Code: PP1:06

(£'000)	Planned	Estimated Outturn	Plans		
	1995-96	1995-96	1996-97	1997-98	1998-99
MAFF Scheme Costs	6,593	5,195	6,162	5,156	5,156
of which payments to agencies	6,593	5,195	6,162	5,156	5,156
MAFF Administration Costs	437	385	259	268	263

2.33 MAFF's objective for pesticides is to ensure that the amount used is the minimum necessary for the effective control of pests, compatible with the protection of human health and the environment. This is achieved through the rigorous evaluation and approval of new and existing pesticides, and through comprehensive monitoring arrangements undertaken through the Pesticide Usage Survey (PUS), the Working Party on Pesticide Residues (WPPR) and the Wildlife Incident Investigation Scheme (WIIS). As envisaged in the White Paper on *Rural England* , a conference was held in London in October 1995 to develop an Action Plan for the responsible use of pesticides. The conference identified a number of areas where further action will be necessary to take forward the Government's pesticides minimisation policy.

2.34 MAFF makes payments to the Pesticides Safety Directorate (PSD) for commissioned policy work, including provision of advice to the Minister, operating an information system for pesticides, running an R&D programme, developing legislation, evaluating active substances under the EC review programme and for developing the new European arrangements. The United Kingdom is pressing for an amendment to Directive 91/414/EC to enable PSD to revert to charging industry for future reviews.

2.35 Evaluation and approvals work is undertaken by the PSD. It works in conjunction with DH, Department of the Environment (DoE), the Health and Safety Executive, the Scottish Office and the Welsh Office to approve pesticides and control their use in Great Britain. The current controls are largely based on domestic legislation but the introduction of European legislation over a ten year period will mean that the present national arrangements will eventually be replaced by a new Community-wide system. It is expected that this will provide the same level of protection as the current controls. PSD is continuing to play a key role in the development of the EC regime which will provide the same assurance of safety for users, consumers, the public and the environment. Further details can be found under Programme EA1:04 in Chapter 8.

Radiological Protection (Food)

Programme Code: PP1:07

(£'000)	Planned	Estimated Outturn	Plans		
	1995-96	1995-96	1996-97	1997-98	1998-99
MAFF Scheme Costs	1,417	1,417	1,621	1,621	1,621
of which payments to agencies	1,100	1,100	1,304	1,304	1,304
MAFF Administration Costs*	1,198	1,191	1,540	1,577	1,567
Receipts	-1,334	-1,334	-3,056	-3,506	-3,506
Net Administration	-136	-143	-1,516	-1,479	-1,489

* The Ministry is in the process of concentrating all radiological protection work in one Programme, hence the increase in Administrative Costs and related receipts.

2.36 The objectives of this programme are: first, to ensure that exposure of members of the public to radioactivity through the food chain is kept below internationally prescribed limits and as low as reasonably practical; and second, to minimise the impact of radioactive waste disposal on food and farming. MAFF deals with marine radiation under a separate programme, RE2:04.

2.37 Currently, routine discharges of radioactive waste from licensed nuclear sites in England may take place only if authorised jointly under the Radioactive Substances Act 1993 (RSA93) by the Minister and the Chief Inspector of HM Inspectorate of Pollution. Authorisations set numerical limits and conditions on discharges and are reviewed on a regular basis. Costs incurred through site inspections, monitoring, analysis and administrative work are recovered by charging individual nuclear site operators.

2.38 The Environment Act 1995 introduced changes to the regime for the regulation of licensed nuclear sites under RSA93. These changes will come into effect from 1 April 1996, when the Environment Agency will become solely responsible for the determination of application of authorisation subject to a Power of Direction available to MAFF. The Department will become a statutory committee and will be consulted before final determination of an application on matters related to MAFF's statutory responsibilities to protect the food chain and agricultural interests.

2.39 MAFF will continue to undertake surveillance of radiation in the environment and the food supply, principally through the Terrestrial Radioactivity Monitoring Programme (TRAMP) which monitors radioactivity levels around nuclear installations. The results are published in the TRAMP Annual Report. In 1994 the maximum potential exposure level to consumers was 12% of the national limit of 0.5 millisievert (mSv). (For comparison the international limit is 1 mSv and the average dose to a member of the public from natural radiation is 2.2 mSv.) Other activities undertaken by MAFF include modelling and assessment of the effects of discharges, a comprehensive programme of research, and participation in emergency exercises.

Food Quality and Nutrition

Programme Code: PP1:08

(£'000)	Planned	Estimated Outturn	Plans		
	1995-96	1995-96	1996-97	1997-98	1998-99
MAFF Scheme Costs	2,074	1,969	1,877	1,877	1,779
of which payments to agencies	701	450	653	653	677
MAFF Administration Costs	2,546	2,008	2,292	2,323	2,323

2.40 The objective of the Programme is that consumers should have the information needed to choose a healthy and nutritious diet and are not misled by the way food is described. It covers advice, regulation and surveillance on nutrition, food composition and labelling.

Nutrition

2.41 While the DH is responsible for the links between nutrition and health and, in particular, the nutrition targets in the Health of the Nation initiative, MAFF is concerned with the nutritional value of food and the diet. MAFF remains closely involved in a number of initiatives to carry forward the action programme *Eat Well!* launched by the Nutrition Task Force during 1995.

2.42 MAFF undertakes the National Food Survey which monitors the nutritional value of food purchased in Great Britain and works with DH to produce the wider National Diet and Nutrition Surveys. The results of a survey of toddlers' diets were published in 1995. A survey of the diets of older people will be completed in 1996.

Food Composition and Labelling

2.43 Food composition and labelling Regulations have been extensively reviewed in order to simplify requirements for industry whilst still meeting consumers' needs. On 1 January 1996 five new Regulations came into effect. These revoked 18 food composition Regulations covering many and varied foodstuffs such as malt bread and fishcakes and replaced them with greatly simplified regulations covering bread, flour, spreadable fats, cheese and cream. Fourteen food additive regulations were also revoked and replaced by simpler legislation. A number of unjustifiable food labelling rules covering polyunsaturated fats, alcoholic drinks sold in pubs and restaurants, ice cream and soft drinks were also removed.

2.44 In Brussels, during 1995 the Council adopted common positions on amendments to the Labelling Directive, which would provide for quantitative ingredient declarations, and on amendments to the Mineral Waters Directive.

Food Authenticity

2.45 Although in general food is correctly described, surveillance studies have shown occasional misdescription and adulteration. Results are published in the Food Safety Information Bulletin at the earliest opportunity and follow-up action taken where necessary. In 1995 surveillance of single-seed oils showed that about 7% of samples were likely to have been deliberately adulterated. Trading standards officers were informed and asked to follow up.

2.46 In 1996, the Codes of Practice for local authorities are to be reviewed, with DH, to make sure that they provide a sound basis for enforcement activity.

Feedingstuffs and Fertiliser Standards

Programme Code: PP1:09

(£'000)	Planned	Estimated Outturn	Plans		
	1995-96	1995-96	1996-97	1997-98	1998-99
MAFF Scheme Costs	244	155	239	239	239
of which payments to agencies	73	93	88	88	88
MAFF Administration Costs	625	666	581	591	591

2.47 The objectives of this Programme are to safeguard the health of animals and of people eating animal products, to ensure free and fair trade within the EC and to enable purchasers to make informed choices.

2.48 The Programme operates through legislative controls on marketing and compositional standards. Feedingstuffs and fertilisers legislation is for the most part harmonised within the EC. The various EC Directives are implemented in Great Britain by the Feeding Stuffs Regulations 1995 and the Fertilisers Regulations 1991, augmented by separate controls for enforcement purposes on sampling and analysis. Separate but parallel legislation applies in Northern Ireland. Scheme costs represent payments for investigations.

2.49 Feedingstuffs legislation covers safety measures including a list of approved feed additives and maximum permitted levels of contaminants. It also governs the description of certain materials and the labelling of products. During 1995 new EC Directives were agreed which will allow more consistent enforcement of feed legislation throughout the EC and require registration of certain feedingstuffs establishments. There are also measures to ensure better labelling on fertilisers and to facilitate their trade. One task for 1996-97 will be to implement the EC Directives on inspection and registration. In addition, legislation, for example on permitted additives, has constantly to be updated; authorisation of enzyme and micro-organism products is under way.

By taking action against diseases with implications for human health

Brucellosis and Tuberculosis Eradication

Programme Code: PP2:01

(£'000)	Planned	Estimated Outturn	Plans		
	1995-96	1995-96	1996-97	1997-98	1998-99
MAFF Scheme Costs	16,512	16,198	16,304	16,302	16,302
of which payments to agencies	2,548	3,540	2,912	2,910	2,910
payments to individuals	3,242	2,446	3,120	3,120	3,120
Non EC Receipts	-558	-956	-562	-562	-562
MAFF Administration Costs	9,395	8,620	8,706	9,075	9,075
Receipts	-2	-1	-2	-2	-2
Net Administration	9,393	8,619	8,704	9,073	9,073

2.50 The objectives of this Programme are to maintain the Tuberculosis and Brucellosis Free official status of British cattle and sheep (and Brucellosis Free status of goats) and to reduce the number of outbreaks by regular testing of all herds and compulsory slaughter, with compensation. Scheme Costs represent payments to Local Veterinary Inspectors for taking blood samples for brucellosis and the regular testing of cattle for tuberculosis (TB). It also includes the cost of testing milk samples for brucellosis. The additional costs arising from responding to new outbreaks of TB are included in Administration Costs.

Table 5: Outbreaks of TB and Brucellosis in Great Britain, 1990-95

	1990	1991	1992	1993	1994	1995 (Est)
Outbreaks of TB	173	125	155	277	362	420
Outbreaks of Brucellosis	1	0	0	1	0	0

An 'outbreak' of these diseases relates to confirmation of disease in a herd and may involve one or more animals.

Tuberculosis

2.51 The incidence of TB in the south west of England remains disquietingly high and is increasing in Hereford and Worcestershire, an area which has not previously been affected to any significant extent. MAFF continues to act on the assumption, for which there is much

scientific evidence, that TB is transmitted to cattle from the wild badger population in which the disease is endemic. The new policy involving the trial of a live test for TB in badgers which was introduced in November 1994, is well under way. It is, however, likely to take at least five years before enough data has been gathered to evaluate its effectiveness. Progress of the trial and the results of ongoing research are monitored by the independent Consultative Panel on Badgers and Bovine Tuberculosis, which met twice in 1995. Ministers are currently seeking views from interested parties on changes that might be made to improve the effectiveness of policy measures to combat TB in cattle.

2.52 Discussions are being pursued with the Royal College of Veterinary Surgeons and the British Veterinary Association on the possible use of qualified lay personnel, working under veterinary direction, to conduct routine TB testing of cattle.

Brucellosis

2.53 After three years with no outbreak of brucellosis, EC legislation allows Member States to review the policies which have been adopted for eradicating brucellosis from the cattle herd. Following the completion of an independent evaluation by CEAS Consultants, Wye, Agriculture Ministers in Great Britain announced proposals to end routine blood testing for cattle aged between 12 and 24 months and to stop automatic investigation of all abortions. Subject to consultation MAFF aims to put the new arrangements in place in the first half of 1996.

2.54 In 1995 a new milk test for brucellosis was approved and preparations for a tender for laboratories were begun.

Salmonella and other Zoonoses

Programme Code: PP2:02

(£'000)	Planned	Estimated Outturn	Plans		
	1995-96	1995-96	1996-97	1997-98	1998-99
MAFF Scheme Costs	2,898	2,197	4,369	4,364	4,364
of which payments to agencies	1,382	1,440	3,119	3,114	3,114
payments to farmers	1,516	757	1,250	1,250	1,250
MAFF Administration Costs	2,982	2,150	1,472	1,555	1,555
Receipts	-149	-40	-149	-149	-149
Net Administration	2,833	2,110	1,323	1,406	1,406

2.55 The objectives of this Programme are to monitor the incidence of salmonella in eggs, poultry, animals and feedingstuffs to reduce risks to public health. Scheme costs comprise mainly compensation payments for compulsorily slaughtered birds, the costs of collecting and testing official samples and payments to ADAS and VLA. Receipts result mainly from charges for the collection and testing of official samples from poultry breeding flocks and authorising laboratories to undertake private testing. The incidence of other non-notifiable zoonotic diseases in animals is also monitored. The rise in Scheme Costs and decline in Administration Costs relates to the merger of the Veterinary Investigation Service (VIS) and the Central Veterinary Laboratory (CVL). What were running costs are now treated as payments to agencies and are thus Scheme Costs.

2.56 The Zoonoses Order 1989 requires all isolates of salmonella from farm animals and birds, their carcases, products, feed or surroundings to be reported to an officer of MAFF. The Poultry Breeding Flocks and Hatcheries Order 1993 requires the testing of all breeding flocks. In cases where salmonella infection is confirmed after investigation the flock is slaughtered. However in the case of parent broiler breeder flocks, alternatives are offered which include antibiotic treatment of the parent flock or its progeny. There are no controls on laying flocks but the EC Zoonoses Directive provides for a review of the situation. A Code of Practice for the Prevention and Control of Salmonella in Commercial Egg Laying Flocks was published in May 1995.

2.57 Salmonella typhimurium DT104 (multi resistant) infection in human beings and animals, particularly cattle, has continued to increase. A case control study in cattle has been completed and the data should be analysed by March 1996. A survey of bovine carcases leaving UK abattoirs has indicated that approximately 0.5% were contaminated with E coli 0157:H7. A seperate survey of this organism in bovine faeces in England and Wales showed a carriage rate of about 1%.

Table 6 : Reported incidents in Great Britain of salmonella in farm animals

	1990	1991	1992	1993	1994	1995
Cattle & Calves	1,387	1,051	940	1,465	1,899	2,156
Sheep	194	176	106	106	188	214
Pigs	228	232	261	346	360	363
Fowl	1,906	1,803	1,447	1,295	744	829
Turkeys	992	709	441	327	401	287
Ducks & Geese	97	361	453	357	133	105

An 'incident' refers to an isolation or isolations of salmonella from either an individual animal or from one or more animals in a group on one or more occasions.

Table 7: Reported isolations in Great Britain of salmonella in feedingstuffs

	1990	1991	1992	1993	1994	1995
Finished Feed	636	599	545	706	904	791
Animal Protein	210	238	161	133	256	198
Vegetable Protein	478	1,126	897	834	936	201
Miscellaneous	0	10	138	354	234	202

An 'isolation' is the positive identification of salmonella in a sample batch of feedingstuff or an animal.

2.58 The incidence of other zoonotic diseases in farm animals and man is kept under review in consultation with DH and the need for additional surveillance considered through the Advisory Committee on the Microbiological Safety of Food.

By planning to safeguard essential supplies in an emergency

Food Stockpile

Programme Code: PP3:01

	Planned	Estimated Outturn	Plans		
£ '000	1995-96	1995-96	1996-97	1997-98	1998-99
MAFF Scheme Costs	1,493	574	–	–	–
of which payments to agencies	13	7	–	–	–
Non EC Receipts	-1,975	-1,335	–	–	–
MAFF Administration Costs	146	90	–	–	–

2.59 Following a progressive run-down of the strategic food stockpile in recent years, all foodstuffs have been sold and the remaining depots closed. Receipts in 1995-96 reflect sales of flour and mechanical handling equipment. This programme will end on 1 April 1996.

Emergencies

Programme Code: PP3:02

(£'000)	Planned	Estimated Outturn	Plans		
	1995-96	1995-96	1996-97	1997-98	1998-99
MAFF Scheme Costs	27	133	27	27	27
MAFF Administration Costs	1,150	1,004	442	446	433

2.60 The objectives of this Programme are to maintain and develop plans to safeguard essential food supplies in times of national emergency and to protect consumers from exposure to contaminated food. The Scheme Costs in 1995-96 include £106,000 to meet the capital costs of the roll out of the Food Vulnerability Model Database system to Scotland and Wales. From 1996-97, work relating to protection of consumers from exposure to contaminated food is being transferred to Programme PP1:07, Radiological Protection (Food).

2.61 MAFF pursues these objectives by preparing and maintaining contingency plans to deal with food-related emergencies in England. Following a review of Departmental Emergency Preparedness, defence and peacetime plans have been combined to produce integrated emergency plans with a small number of specific defence plans being shelved, in a revivable form, subject to biennial review. Thirty-seven of these plans covering different areas were finalised. The MAFF War Book has also been revised to reflect extensive amendments to the Government War Book.

2.62 MAFF also maintains a food stocks modelling system (the Food Vulnerability Model) to facilitate impact assessments of actual and potential food emergencies. In addition, other computer systems have been updated, in the light of recent experience in handling food contamination emergencies, to enhance MAFF's ability to respond swiftly to any incident. A major exercise involving the Department's regional organisation took place in 1995 to test the Emergency Control Centre's ability to provide the facilities for active management of emergencies.

2.63 MAFF investigated 152 possible food safety incidents during 1995; an increase of 50% over the previous year. All incidents were resolved without recourse to statutory measures, often through swift voluntary action by farmers to restrict the movement of affected animals until the risk had passed. To test out its plans, MAFF participated in 11 inter-departmental emergency response exercises.

2.64 In the summer of 1995 a survey of the sheep in the remaining post-Chernobyl restricted area of Cumbria was carried out. The results of this survey enabled restrictions to be lifted on 12 complete holdings, leaving 54 holdings within the restricted area. Further reductions in the

number of holdings subject to post-Chernobyl restrictions will be sought in coming years as conditions allow.

Table 8: Number of holdings in Cumbria released from restriction

	1992-93	1993-94	1994-95	1995-96
Holdings released:	12	14	49	12

Table 9: Number of holdings still within the Cumbrian restricted area

	1992-93	1993-94	1994-95	1995-96
Holdings	126	112	66	54*

* Of these 54 holdings within the Cumbrian restricted area, 41 are exempt from the provisions of the Order by virtue of special consents and are not subject to controls. The open nature of the land and the presence of common grazing do not allow for the clear identification of boundaries for these holdings which have to be described in order to be derestricted. In practice this leaves only 13 holdings under restriction.[1]

[1] Notes for Tables 8 and 9. Due to changes in land ownership, tenure and occupation, the figures in Table 9 are not always equivalent to the annual change in numbers of holdings still under restriction in Table 8.

By promoting action to alleviate flooding and coastal erosion

Flood and Coastal Defence

Programme Code: PP4:01

(£'000)	Planned	Estimated Outturn	Plans		
	1995-96	1995-96	1996-97	1997-98	1998-99
MAFF Scheme Costs	68,535	77,947	66,283	66,283	66,283
of which payments to agencies	182	72	120	120	120
Non EC Receipts	-36	-36	-36	-36	-36
MAFF Administration Costs	1,998	1,982	2,018	2,046	2,046
NRA Levies	184,849	184,849	186,249	186,249	186,249
Supplementary Credit Approvals	13,748	16,783	14,000	14,000	14,000

2.65 The objective of this Programme is to reduce risks to people and to the developed and natural environment from flooding and coastal erosion in England. MAFF Scheme Costs mainly comprise grants for flood defence and coastal protection. The table also shows Supplementary

Credit Approvals (which authorise local authorities to borrow the balance of capital costs of approved schemes after MAFF grant and other contributions) and the charges levied by the National Rivers Authority (NRA) on local authorities for its flood defence expenditure. The outturn for Scheme Costs in 1995-96 reflects increased expenditure on capital grants on a number of major schemes (see paragraph 2.69).

2.66 MAFF pursues the Programme objective in three main ways. First, MAFF makes grant aid available to local operating authorities in England (local authorities, the NRA and Internal Drainage Boards) for between 15% and 85% of the value of individual capital projects to provide sound and sustainable flood and coastal defences and warning systems. In total, MAFF accounts for some 50% of the total capital expenditure annually. Second, advice and guidance are provided for the operating authorities to encourage proper consideration of technical, economic and environmental issues when flood and coastal defence schemes are being planned, designed and implemented. Third, MAFF funds a research programme aimed at improving understanding of the natural processes involved in flooding and coastal erosion, examining techniques for the design and management of defences and furthering environmental interests.

2.67 The table below shows important results from flood and coastal defence projects (including sea defences and protection against coastal erosion).

Table 10: Performance Indicators relating to flood and coastal defence projects

		1993-94	1994-95	1995-96 (Est)
No of schemes approved in year		230	200	230
To protect:	houses	27,800	21,500	23,700
	commercial properties	2,200	1,400	1,550
	agricultural land (ha)	84,000	45,000	50,000
Length of flood and coastal defence approved (km)*		39	128	140
Administration cost per £m grant approved (£'000)		11	11	11
Aggregated benefit/cost ratio of schemes approved		6.5:1	6.3:1	Not available
Number of ongoing schemes (including those approved in-year)		820	800	800

* Up to 1993-94 indicator referred to coastal defences only

2.68 Except for a firm target to avoid increasing the administration cost per £m of grant approved, MAFF does not set formal targets in relation to the other indicators above. This is because the responsibility for initiating schemes and presenting proposals to MAFF for approval rests with the local operating authorities.

2.69 Expenditure on grant aid for flood defence and coast protection schemes is expected to be about £75m in 1995-96, with progress being made with a number of large and important schemes, including those on the Lincolnshire coast, on the south coast at Hythe, Eastbourne, Brighton and Weymouth, in the south west at Polperro and the north east at Withernsea and Lynemouth Bay. In June 1995 MAFF published definitive guidance on the preparation of shoreline management plans by coastal defence authorities. The production of such plans should strengthen coastal defence policy by ensuring a strategic approach is taken so that potential effects elsewhere on the coast are addressed, and by fostering closer partnership between the authorities involved in coastal issues. In Spring 1996 MAFF published a report summarising the findings of some 80 post-project evaluations undertaken in 1994-95 of defences constructed with the benefit of grant aid. Whilst most of the schemes were found to be technically, environmentally and economically sound and to be performing well, the report identified some shortcomings where lessons learned should lead to an improved approach in the future.

2.70 A working group led by MAFF made recommendations for improving flood warning procedures. These involve greater use of local radio, supplemented by direct dial telephone systems and other local systems as appropriate, for the future dissemination of warnings to the public about the risk of river or coastal flooding. It is also proposed that the lead role in relation to flood warning arrangements should be taken by the National Rivers Authority (which is to be subsumed in the Environment Agency from 1 April 1996) which already has a general supervisory duty for all matters relating to flood defence in England and Wales. These recommendations are expected to be implemented by 1 September 1996.

2.71 Future plans for flood defence and coast protection schemes will continue to give priority to protecting densely populated areas, particularly where there is a risk of flooding from the sea. The financial provision for grant aid for 1996-97 onwards has been reduced to bring it into line with spending levels in previous years. Consideration of the Private Finance Initiative in relation to flood and coastal defence has been directed towards ways of bringing private sector involvement into the management of defences in addition to the current involvement in design and construction. The National Rivers Authority are setting up trials of 'design, build, finance and operate', or similar, contract arrangements with a view to assessing with MAFF if such an approach represents improved value for money.

By protecting the rural economy, particularly in less favoured areas

Hill Livestock Compensatory Allowances

Programme Code: RE1:01

(£'000)	Planned	Estimated Outturn	Plans		
	1995-96	1995-96	1996-97	1997-98	1998-99
MAFF Scheme Costs	26,439	28,115	27,563	27,584	27,584
of which payments to agencies	121	227	345	345	345
payments to individuals	26,318	27,888	27,218	27,239	27,239
Territorial Scheme Costs	81,970	85,323	81,480	81,570	81,570
Total Scheme Cost	**108,409**	**113,438**	**109,043**	**109,154**	**109,154**
EC Receipts*	-4,440	-5,855	-5,855	-5,855	-5,855
MAFF Administration Costs	1,461	2,194	1,444	1,519	1,470

* In order to retain consistency with MAFF's Supply Estimates, EC receipts in respect of other Agriculture Department's Scheme Costs are not included. They can be found in their repective Supply Estimates and Departmental Reports.

3.1 The objective of this Programme is to ensure the continuation of extensive livestock farming in the Less Favoured Areas (LFAs), thereby helping to maintain a viable population in those areas and to help conserve the countryside.

3.2 Hill Livestock Compensatory Allowances (HLCAs), established under the provisions of European Council Regulation 2328/91, provide payments to UK hill farmers in respect of their numbers of cattle and sheep. In 1996 the headage payments will be the same as for 1995, except for sheep in the Disadvantaged Area. The EC reimbursement is paid one year in arrears from the Guidance section of the EAGGF.

Table 11: 1996 Rates of Hill Livestock Compensatory Allowances

	Severely Disadvantaged Area	Disadvantaged Area
Breeding cows	£47.50	£23.75
Hardy breed ewes	£5.75	£2.65
Other ewes	£3.00	£2.65

Table 12: Labour force on main agricultural holdings in the United Kingdom with land in Less Favoured Areas (LFA)

As at June:	1987	1988	1989	1990	1991	1992	1993	1994
Labour force on LFA holdings ('000s)	169.8	170.0	169.2	168.2	166.6	166.5	165.6	165
As % of total agricultural labour force	26.3	26.6	27.0	27.2	27.6	27.8	27.9	28.1

LFA holdings are defined as those with any land in the LFA, except in Scotland where they are holdings with at least 50% of the land in the LFA.

Table 13: Trends in net farm income (in real terms) for full-time cattle and sheep farms wholly or mainly in the Less Favoured Areas (LFA) of the United Kingdom and for all other types (excluding horticulture)

Indices (1989-90 to 1991-92 = 100) in real terms

Year (ending on average in February)	1988-89	1989-90	1990-91	1991-92	1992-93	1993-94	1994-95	1995-96 (provisional)
Cattle and Sheep (LFA) farms	173	115	85	101	129	147	108	122
Other farm types (excluding horticulture)	95	118	95	89	114	108	133	149

THE ENVIRONMENT WHITE PAPER:THIS COMMON INHERITANCE

The Government's annual reports on the Environment White Paper, *This Common Inheritance*, provide full information on progress under commitments to action on the environment. In 1995-96 MAFF's key achievements in this field were:

- The announcement of plans to develop Countryside Stewardship as the Government's main incentive scheme for the wider countryside outside Environmentally Sensitive Areas
- The launch of the Moorland Scheme
- 451 farm waste plans in seven selected river catchments
- 3,000 free pollution visits by ADAS
- The issue for consultation of the revised Code of Good Agricultural Practice for the Protection of Water
- The re-launch of the ten pilot Nitrate Sensitive Areas as part of a unified NSA Scheme under the Agri-Environmental programme
- The establishment of the National Agri-Environment Steering Group to advise MAFF on the objectives, deployment and monitoring of all its environmental land management schemes
- UK-led EC agreement to link set-aside and environmental schemes to promote more environmentally beneficial uses of set-aside. In June 1995, EC agriculture ministers agreed that farmers withdrawing arable land from production under an approved agri-environment or forestry scheme could count that land towards their set-aside obligation for arable area payments scheme purposes. In England, MAFF has introduced this set-aside facility under the following schemes:
 Farm Woodland Premium Scheme (see RE3:03)
 Nitrate Sensitive Areas Scheme (see RE2:01)
 Habitat Scheme (see RE3:02).

This 'linkage' between set-aside and the environmental schemes is in keeping with the Government's objective of incorporating environmental considerations into the Common Agricultural Policy.

By encouraging action to reduce water and other pollution and by other measures to safeguard the aquatic environment, including its flora and fauna

Environmental Protection (Nutrients)

Programme Code: RE2:01

(£'000)	Planned	Estimated Outturn	Plans		
	1995-96	1995-96	1996-97	1997-98	1998-99
MAFF Scheme Costs	10,576	6,382	8,968	10,968	11,968
of which payments to agencies	2,851	2,561	2,479	2,479	2,479
payments to individuals	6,997	2,720	6,384	8,384	9,384
EC Receipts	-622	-1,022	-1,843	-1,843	-1,843
Non EC Receipts	–	-2	-2	-2	-2
MAFF Administration Costs	737	769	936	966	953

3.3 The objective of this Programme is to minimise the potentially polluting loss of soil nutrients from agriculture in England. MAFF is pursues this objective through the voluntary Nitrate Sensitive Areas (NSA) Schemes, the phased implementation of the EC Nitrate Directive (91/676/EC), and the funding of a substantial research programme on nutrient losses from agriculture (see Chapter 7). Expenditure in 1995-96 fell short of that planned, primarily because farmer uptake of the more costly NSA arable reversion options was lower than originally estimated.

3.4 The NSA Schemes compensate farmers for voluntarily changing their farming practices in ways which significantly reduce nitrate leaching. They provide a cost effective means of reducing high or rising nitrate levels to safeguard the future viability of selected public drinking water sources. Annual payments are made under five-year agreements and range from £55 per hectare for restrictions on nitrogen fertilisers, to £590 per hectare for the conversion of arable land to native species grassland. Payments, totalling £3.6 million were made in 1995-96 on 87% of eligible land (9,300 hectares) in the pilot NSAs and 54% of land (13,200 hectares) in the agri-environment NSAs launched in 1994. Within certain ceilings, up to 50% of expenditure is refunded by the EC.

3.5 In July 1995 the Ministry relaunched the ten pilot areas on the basis of the agri-environment NSAs, thus forming a unified scheme covering 32 areas. In addition, a new NSA set-aside option was introduced at the end of July, linking set-aside and environmental schemes (see section on the Environment White Paper on page 32). During 1995 a further 6,800 hectares, including some 4,000 hectares of former pilot scheme land, were entered into

the NSA scheme. Monitoring reports covering all 32 NSAs were published, as were the findings of the socio-economic study of the pilot scheme. These showed that in 26 NSAs, nitrate leaching in the soil zone had been reduced in comparison with pre-Scheme levels. In 1994-95, nine out of ten NSAs showed reduced levels of nitrate leaching into the soil. A final report on the pilot NSAs is due to be published in 1996.

3.6 In May 1995, the Government issued its response to the consultation on its proposals for the designation of Nitrate Vulnerable Zones (NVZs). An independent panel was set up in July to review remaining issues prior to designation of the Zones. The panel published its report in October 1995. The Government accepted its recommendations and subsequently designated 68 Zones, covering about 600,000 hectares, early in 1996. Unlike NSAs, NVZs flow from the Nitrate Directive and require farmers to make mandatory changes to their farming practices. A consultation document on the measures due to apply in NVZs was issued in November 1995. This also covered the reintroduction of farm waste grants in NVZs planned for 1996. NVZ measures will take effect sometime between 1996 and 1999, subject to further discussions between Member States and the Commission.

Environmental Protection (General)

Programme Code: RE2:02

(£'000)	Planned	Estimated Outturn	Plans		
	1995-96	1995-96	1996-97	1997-98	1998-99
MAFF Scheme Costs	1,681	1,718	1,589	1,589	1,589
of which payments to agencies	1,680	1,699	1,588	1,588	1,588
MAFF Administration Costs	542	502	498	508	508

3.7 The objectives of this Programme are to reduce pollution and nuisance from agriculture (excluding pesticides and nutrients which are covered by PP1:06 and RE2:01 respectively), and to protect agriculture from the effects of pollution. These objectives are met through a mixture of regulation, advice and guidance underpinned by extensive research.

3.8 ADAS continued to deliver 3,000 free farm visits per annum throughout England, offering either a pollution risk assessment or help with the preparation of a farm waste management plan. In addition, 49% of eligible farmers in seven selected English river catchments accepted free ADAS help in drawing up farm waste management plans. A new campaign, in seven further river catchments, began in September 1995. New publicity material promoting the benefits of farm waste planning was prepared for use throughout England in 1995 and 1996. The number of major water pollution incidents attributable to agriculture continues to fall; the NRA reported only 36 such incidents in 1994, down from 63 in 1993.

3.9 MAFF continues to work closely with other Government Departments, farming organisations, the NRA and the water companies on a wide range of environmental issues, including water resources. This ensured that the needs of food producers and processors were fully taken into account during the 1995 drought.

3.10 MAFF, in conjunction with the DoE, is also studying proposals for regulations dealing with agricultural and hazardous waste. Both sets of regulations are likely to be issued in 1996. MAFF also participated in a DoE chaired inter-Departmental Working Group to produce a set of UK indicators of sustainable development. These are expected to be published early in 1996.

Table 14: Number of substantiated water pollution incidents arising from agriculture in England and Wales

		1991	1992	1993	1994
Total		2,954	2,770	2,883	3,329
of which	major (NRA category 1)	99	67	63	36

Salmon, Whaling and Inland Fisheries

Programme Code: RE2:03

(£'000)	Planned	Estimated Outturn	Plans		
	1995-96	1995-96	1996-97	1997-98	1998-99
MAFF Scheme Costs	58	66	7,545	7,545	7,545
Non EC Receipts	-1	-6	-1	-1	-1
MAFF Administration Costs	3,106	3,123	3,034	3,062	3,062
Receipts	–	–	-96	-125	-154
Net Administration Costs	3,106	3,123	2,938	2,937	2,908

3.11 The objectives of this Programme are: to promote the conservation, regulation and management of salmonid, eel and freshwater fisheries; to safeguard the health of wild and farmed fish and shellfish stocks; to prevent the spread of serious fish and shellfish diseases and to work for the conservation and protection of whales through the International Whaling Commission (IWC).

Fisheries

3.12 MAFF has overall policy responsibility for salmon and freshwater fisheries in England and works closely with the NRA which is responsible for the day to day management and regulation of these fisheries. From 1 April 1996 the Environment Agency will take over the NRA's

fisheries responsibilities. From the same date MAFF will assume responsibility for paying Grant-in-Aid in support of the Agency's fisheries functions; this responsibility, in relation to the NRA, is currently exercised by the DoE. This involves a significant increase in expenditure under this programme from 1996-97, offset by matching reductions in the relevant DoE programme. To control programme costs MAFF will work with the Agency to ensure that the beneficiaries contribute a higher proportion of the costs of the Agency's activities on salmon and sea trout.

3.13 MAFF, together with the Scottish Office, provides the Secretariat for the Salmon Advisory Committee. It has now been decided that this Committee will be wound up at the end of the current financial year. No reports were published during the year, but Ministers have agreed that two reports should be published and three more are nearing completion.

Fish Health

3.14 MAFF takes the UK lead in negotiations on fish health matters within the European Community. With the Welsh Office it is responsible, through the Fish Diseases Inspectorate (part of MAFF's Directorate of Fisheries Research), for the implementation of fish health policy in England and Wales. The Inspectorate is responsible for carrying out the programme of inspections and sampling required to maintain Great Britain's approved zone status for the serious salmonid diseases Infectious Haematopoietic Necrosis (IHN) and Viral Haemorrhagic Septicaemia (VHS), for establishing the causes of other disease outbreaks and, if an outbreak of a notifiable disease occurs, for taking appropriate action. Shellfish sites also have to be inspected regularly, as approved zone status is being sought for the shellfish diseases Marteilia and (in parts of the country) for Bonamia.

Table 15: Fish health inspections and outbreaks of notifiable diseases

	1993-94	1994-95	1995-96
Total number of inspections	1,301	1,342	1,474*
Average costs per inspection	£197	£203	£212*
% of registered sites inspected and sampled in accordance with approved zone programme	100%	100%	100%*
Outbreaks of notifiable diseases:			
Spring Viraemia of Carp (SVC)	–	22	14
Bacterial Kidney Disease (BKD)	23	6	1
Bonamia Ostrea	45	25	2

* Planning assumption.

Whales

3.15 MAFF represents the UK in the International Whaling Commission, which held its 47th Annual Meeting in Dublin in June 1995. At this meeting the UK was able to achieve most of its objectives: In particular, the moratorium on commercial whaling was retained intact and resolutions were adopted condemning continued whaling, on scientific whaling and on the use of the electric lance.

Aquatic Environment

Programme Code: RE2:04

(£'000)	Planned	Estimated Outturn	Plans		
	1995-96	1995-96	1996-97	1997-98	1998-99
MAFF Scheme Costs	29	23	26	26	26
MAFF Administration Costs	10,089	10,161	10,192	10,483	10,483
Receipts	-2,925	-3,401	-1,831	-1,984	-2,132
Net Administration	7,164	6,760	8,361	8,499	8,351

3.16 The work of this programme is to develop and implement domestic and international policies to protect fisheries and marine fauna and flora from the deposit and discharge of wastes and other materials at sea. The Programme includes underpinning research and monitoring of the marine environment. Scheme Costs are mainly contributions to international bodies dealing with marine pollution issues. Receipts are in respects of authorisations, licences and approvals.

Dumping at Sea

3.17 To implement its commitments under the London Convention 1972 and the OSPAR (Oslo and Paris Convention for the Protection of the North East Atlantic), MAFF licenses all deposits in the sea (including construction work) under the Food and Environment Protection Act 1985 (FEPA). Licences for marine incineration and disposal of industrial and mine wastes have now been phased out and dumping of sewage sludge will end in 1998. Thereafter, dredged material will be the only waste routinely licensed for sea disposal. An assessment of the potential impact on the marine environment is made before any licence is granted and a monitoring programme is pursued to assess the effects of material disposed of at sea. In 1995, MAFF contributed fully to the Government decision to approve the disposal at sea of Brent Spar.

Table 16: Licences issued under the Food and Environment Protection Act 1985

	1993-94	1994-95	1995-96 estimate
No of FEPA licences issued			
waste disposal	126	123	130
construction	171	167	170
FEPA licence fee revenue (£'000)	804	776	825

3.18 Following the commitment given by the Government in its response to the Select Committee on the Environment's Report on Coastal Zone Management, new consultation arrangements for construction licences and new disposal sites have been established. These arrangements provide an opportunity for bodies such as local authorities, English Nature, National Rivers Authority and the Crown Estate to have an input into the licensing process. A key task for 1996 will be to move the FEPA database onto a new computer system. A statutory instrument extending the information on the Public Register will be laid shortly.

Pipeline Discharges – Radioactive Waste

3.19 MAFF and Her Majesty's Inspectorate of Pollution (HMIP) jointly regulate radioactive discharges from nuclear sites in England currently, although this role will pass to the Environment Agency in April 1996. Applications received included one from Nuclear Electric in anticipation of its privatisation. This has been subject to public consultation and will be determined in 1996. MAFF monitors the aquatic environment for radioactivity to confirm the safety of the food chain and the acceptability of permitted discharges. This programme will continue in support of the Ministry's revised role on discharge applications. Public doses remain well within national and international limits and constraints. The international limit is one millisievert.

Table 17: Sellafield critical group dose from liquid radioactive waste discharges

	1990	1991	1992	1993	1994	1995 estimate
Dose as % of international limit	18%	15%	19%	18%	14%	16%

Pipeline Discharges – Other Waste

3.20 The Ministry is consulted by the NRA on all applications to discharge non-radioactive waste into coastal waters. It assesses the food safety and environmental implications of potentially toxic substances, especially heavy metals such as mercury.

Monitoring and Control

3.21 In order to ensure that contaminants entering the marine environment from all sources do not harm the food chain or impair water quality, MAFF maintains an extensive programme of monitoring in coastal waters. Table 18 provides a measure of indicative mercury levels in fish from the highest risk sea areas. The EC environmental quality objective is that mercury content should not exceed 0.3mg per kg of wet weight.

Table 18: Mercury levels in fish in highest risk sea areas

	1989	1990	1991	1992	1993	1994
% of EC environmental quality maximum	67%	63%	63%*	67%	67%*	57%

* Estimated.

Aggregate Extraction

3.22 Extraction of minerals from the seabed (except oil and gas) requires a licence from the Crown Estate who issue such licences only after consultation with the Government. Under this 'Government View' Procedure, MAFF advises DoE on the potential implications for the marine environment and fishing. These arrangements have been reviewed and in November, the Government announced its intention to introduce statutory licensing procedures with a key role for MAFF as soon as legislative opportunity becomes available. Until then, the new arrangements will be operated on a non-statutory basis.

Coastal Zone Management

3.23 The Ministry continues to contribute to the development of coastal policy and protection of marine biodiversity. In particular MAFF has been closely involved with the DoE and English Nature in public consultation on the marine sites selected as possible Special Areas of Conservation under the EC Habitat Directive (92/43/EEC). The Environment Act 1995 amended previous legislation to give fisheries regulators, including local sea fisheries committees, new powers to control fisheries for environmental purposes.

Farm Grants

Programme Code: RE2:05

(£'000)	Planned	Estimated Outturn	Plans		
	1995-96	1995-96	1996-97	1997-98	1998-99
MAFF Scheme Costs	14,326	12,555	4,022	2,872	2,872
of which payments to agencies	114	57	90	60	60
payments to individuals	11,176	12,498	3,932	2,812	2,812
Territorial Scheme Costs	11,625	24,597	22,953	20,012	16,391
Total Scheme Cost	**25,951**	**37,152**	**26,955**	**22,884**	**19,263**
EC Receipts*	-888	-888	-609	-609	-609
MAFF Administration Costs	1,951	998	426	317	308

* In order to retain consistency with MAFF's Supply Estimates, EC receipts in respect of other Agriculture Department's Scheme Costs are not included. They can be found in their repective Supply Estimates and Departmental Reports.

3.24 The objective of this Programme is to encourage agricultural businesses to adopt conservation-based farming practices through grant aided capital investments.

3.25 The Farm and Conservation Grant Scheme (F&CGS) was introduced in 1989. It comprised two elements, one being part funded by the EC (providing grant on investments under an improvement plan under Council Regulation 2328/91) and the other being a state aid scheme (providing grant on one-off investments under the 1970 Agriculture Act). The joint EC-funded part lapsed as planned on 31 December 1994. The state aid part of the scheme closed as planned on 19 February 1996. Although the scheme is closed to new applications, grants will continue to be paid on improvement plans which have yet to run their course. Each of the four Agriculture Departments administer the scheme, with MAFF accounting for some 65% of expenditure to date.

By improving the attractiveness and biodiversity of the rural environment

Environmentally Sensitive Areas

Programme Code: RE3:01

(£'000)	Planned	Estimated Outturn	Plans		
	1995-96	1995-96	1996-97	1997-98	1998-99
MAFF Scheme Costs	51,871	39,542	39,603	44,025	48,908
of which payments to agencies	8,376	8,865	6,832	6,332	6,332
payments to individuals	36,994	30,138	32,769	37,691	42,574
Territorial Scheme Costs	19,278	7,621	16,060	19,080	21,482
Total Scheme Cost	**71,149**	**47,163**	**55,663**	**63,105**	**70,390**
EC Receipts	-10,791	-16,244	-18,913	-21,812	-25,204
Non EC Receipts	-2	-2	-2	-2	-2
MAFF Administration Costs	2,027	1,620	1,460	1,530	1,487

3.26 The objective of this Programme is to protect and enhance the environment by encouraging environmentally beneficial agricultural practices in parts of the countryside where the landscape, wildlife or historic interest is of national importance. Expenditure in 1995-96 reflected the fact that applications to join this voluntary scheme were lower than originally estimated.

3.27 There are 43 designated Environmentally Sensitive Areas (ESAs) in the UK administered by the four Agriculture Departments. MAFF encourages farmers in the 22 ESAs in England to enter into 10-year management agreements. Each ESA has one or more tiers of entry under which farmers can enter into voluntary agreements either to maintain or to enhance the environmental features of their land.

3.28 Payments to farmers range between £8 and £400 per hectare depending on the requirements of each tier. Grants are available to ESA agreement holders carrying out capital works to improve the landscape, wildlife and historic interest of the area, or to facilitate public access. Up to 50% of all expenditure in ESAs, excluding that on capital works, is refunded via IB by the EC under the Agri-Environment Regulation 2078/92. MAFF pays ADAS to manage the scheme.

3.29 Payment levels are reviewed every two years. Changes resulting from the review of the second and third groups of ESAs to be established (Breckland, Clun, North Peak, Suffolk River Valleys, Test Valley, Avon Valley, Exmoor, Lake District, North Kent Marshes, South Wessex Downs and South West Peak) were introduced in 1995.

3.30 By the end of 1995 over 7,700 farmers (covering 414,000 hectares) had signed or applied for ESA agreements, a 26% increase over 1994. Uptake in this voluntary scheme has been slower than was originally anticipated leading to a shortfall in expenditure against annual estimated outturn. However, future expenditure on the scheme is expected to rise as the number of participating farmers continues to increase.

Table 19: Area of land under ESA agreements and area in enhancement tiers*:

Year	1993	1994	1995 estimate	1996 projected	1997 projected
Area under ESA agreement (ha)	266,258	346,391	414,000	498,000	539,000
Area in enhancement tiers (ha)*	33,000	43,500	47,500	53,100	56,500

* The enhancement tiers seek to make radical improvements in the wildlife and landscape interests of each ESA. They include reversion of arable land to permanent grassland, regeneration of heather moorland, raising water levels and the creation of species-rich hay meadows.

3.31 The effectiveness of each ESA is reviewed every five years. MAFF will carry out a review of the first five ESAs to be established (Broads, Pennine Dales, Somerset Levels and Moors, South Downs and West Penwith) in 1996-97. A review of the second five ESAs (Breckland, Clun, North Peak, Suffolk River Valleys and Test Valley) will take place in 1997-98. Commenting upon the 1995 Departmental Report, the House of Commons Agriculture Committee proposed that the Ministry should consider any economic and social effects of ESA payments on land prices and farming communities. MAFF evaluates the economic effects of the ESA scheme as part of five-yearly reviews; in addition, MAFF is putting out to tender a research proposal on the feasibility of measuring the effects of ESA designation on land prices.

Conservation, Habitat Scheme and Access

Programme Code: RE3:02

(£'000)	Planned	Estimated Outturn	Plans		
	1995-96	1995-96	1996-97	1997-98	1998-99
MAFF Scheme Costs	5,770	2,974	3,925	4,925	4,925
of which payments to agencies	1,766	1,709	1,671	1,671	1,671
payments to individuals	3,345	475	2,000	3,000	3,000
Territorial Scheme Costs	1,280	5	1,463	1,463	1,463
Total Scheme Cost	**7,050**	**2,979**	**5,388**	**6,388**	**6,388**
EC Receipts	-1,125	-472	-1,788	-1,988	-1,988
MAFF Administration Costs	515	503	444	455	455

3.32 The objectives of this Programme are to encourage farming practices which conserve and enhance the natural beauty and amenity of the countryside, its wildlife and features of historic interest and to promote enjoyment of the countryside by the public.

3.33 The programme has three elements. First, operation of the Habitat Scheme which was introduced in May 1994 and aims to create, protect or enhance valuable wildlife habitats. In England the targeted habitats are waterside areas, saltmarsh and land which was formerly in the Five Year Set-aside Scheme. Similar schemes are operated by the three other Agriculture Departments, targeting various types of habitat. Farmers with eligible land are offered management agreements for 10 or 20 years involving payments ranging from £125 to £525 per hectare. The scheme forms part of the UK national programme to implement Council Regulation 2078/92 (the agri-environment regulation). Payments are funded partly from the National Exchequer and partly from the EAGGF Guarantee Section (via IB). ADAS provides technical support for the Scheme under a Memorandum of Understanding.

3.34 Second, through ADAS and the Farming and Wildlife Advisory Group (FWAG), the Ministry provides free advice to farmers on all aspects of conservation and access. A Memorandum of Understanding with ADAS and a financial agreement with FWAG cover arrangements for monitoring both the quantity and quality of the advice provided.

3.35 Finally, other work within this programme relates to the general furtherance of the programme objectives including co-ordination of policy on the agri-environment schemes operated under EC Regulation 2078/92 and on the Ministry's input into the UK Biodiversity Action Plan.

3.36 In 1995, 104 applications covering 1,400 hectares were accepted into the Habitat Scheme. The total area entered into Habitat Scheme in England at the end of December 1995 was some 5,000 hectares. The total number of visits to farmers to provide free conservation advice in 1995-96 is forecast to be 5,100. During the year, work was completed on a review of the integration and focus of environmental land management schemes in England. Public consultation on the review's recommendations was carried out in summer 1995 and around 100 responses were received, almost all of which were broadly supportive. As a result, the main recommendations were endorsed in the White Paper on *Rural England* and a new National Agri-Environment Steering Group has been set up to take the work forward. Work also continued on promoting the integration of environmental considerations into the CAP and, as a result of sustained UK pressure, the Agriculture Council agreed in June that arable land taken out of production under agri-environment and woodland schemes could count against farmers' set-aside requirements.

3.37 Key tasks for the future include establishing a new national forum for consultation on agri-environment schemes together with appropriate regional consultation arrangements; reviewing Habitat Scheme payment levels in advance of the 1996 application period and reviewing the legislation implementing the ban on the burning of crop residues following the 1995 harvest.

Farm Woodlands

Programme Code: RE3:03

(£'000)	Planned	Estimated Outturn	Plans		
	1995-96	1995-96	1996-97	1997-98	1998-99
MAFF Scheme Costs	6,845	3,850	6,534	7,881	9,241
of which payments to agencies	394	394	372	372	372
payments to individuals	4,598	2,350	6,162	7,509	8,869
Territorial Scheme Costs	3,087	3,343	4,660	5,784	6,684
Total Scheme Cost	**9,932**	**7,193**	**11,194**	**13,665**	**15,925**
EC Receipts	-2,970	-2,394	-3,895	-4,700	-5,210
Non EC Receipts	-2	-2	-2	-2	-2
MAFF Administration Costs	451	586	489	594	661

3.38 This Programme's objectives are to encourage the planting of woodland by farmers, thereby enhancing the farmed landscape and environment and providing a productive

alternative land use to agriculture. Scheme Costs include expenditure on existing agreements under the closed Farm Woodland Scheme.

3.39 The Farm Woodland Premium Scheme (FWPS) is administered by the four UK Agriculture Departments and forms part of the UK national programme to implement Council Regulation 2080/92, which requires all member states to operate schemes to encourage the afforestation of agricultural land. The Scheme offers annual payments for 10 years (for predominantly conifer woodland) or 15 years (for predominantly broadleaved woodlands) of up to £250 per hectare (depending on the type of land planted), to help offset farming income foregone from converting productive agricultural land to woodland. For most applicants, the National Exchequer will fund 50% of the payments and the EC will fund the other half partly from the EAGGF Guarantee Section (via IB). A Memorandum of Understanding provides for ADAS input in support of the Scheme.

3.40 In 1995, almost 1,200 applications amounting to some 7,300 hectares were approved in the UK. The total area of land entered into the FWPS in England by end of December 1995 was some 10,000 hectares. In the early part of the year, uptake of the Scheme on arable land continued to be restricted by the inability of farmers to count land entered into the FWPS towards their set-aside obligations under the Arable Area Payments Scheme. Following a long UK campaign, the EC Council of Ministers agreed in June 1995 that land taken out of agricultural production under Regulation 2080/92 (woodland) or 2078/92 (agri-environment schemes) could count towards a farmer's set-aside obligation.

Table 20: Take up of Farm Woodland Premium Scheme in England

	1993-94	1994-95	1995-96 estimate
Number of applications	917	693	1,200
Total ha. approved	3531	2,207	4,000
Broadleaf	3,224 (91%)	2,018 (91%)	3,640 (91%)
Conifer	307 (9%)	189 (9%)	360 (9%)
Arable land	2,155 (61%)	1,378((62%)	2,800 (70%)
Improved grassland	1,333 (38%)	762 (35%)	1,080 (27%)
Unimproved land	44 (1%)	67 (3%)	120 (3%)

3.41 The key task for next year is to evaluate and review the FWPS, with the aim of submitting a report to Parliament in July 1996 on whether any changes in payment rates are required and introducing any revisions to the FWPS in April 1997.

Countryside Management

Programme Code: RE3:04

(£'000)	Planned	Estimated Outturn	Plans		
	1995-96	1995-96	1996-97	1997-98	1998-99
MAFF Scheme Costs	958	1,141	1,018	1,018	1,018
of which payments to agencies	957	1,123	1,017	1,017	1,017
MAFF Administration Costs	307	342	382	397	389
Receipts	-1	-1	-1	-1	-1
Net Administration	306	341	381	396	388

Vertebrate Pest Control

3.42 This Programme, which covers England, has the objective of permitting the safe, efficient and humane control of mammals and birds, such as rabbits, badgers, deer, geese, herons and cormorants, where they are in conflict with activities relating to agriculture, forestry, food, fisheries or property. This objective is met by the provision of advice to affected individuals and the issuing of licences that permit or require individuals to take action to prevent damage being caused by particular pests. The system is administered by the Regional Service Centres.

Countryside Access Scheme

Programme Code: RE3:05

(£'000)	Planned	Estimated Outturn	Plans		
	1995-96	1995-96	1996-97	1997-98	1998-99
MAFF Scheme Costs	6,540	286	2,728	2,728	2,728
of which payments to agencies	240	221	228	228	228
payments to individuals	4,500	0	2,500	2,500	2,500
Territorial Scheme Costs	181	30	467	467	467
Total Scheme Cost	**6,721**	**316**	**3,195**	**3,195**	**3,195**
EC Receipts	-1,981	-27	-1,476	-1,476	-1,476
MAFF Administration Costs	427	295	117	136	135

3.43 The objective of this Programme is to encourage farmers who are entering suitable land into the five-year guaranteed set-aside option of the Arable Area Payments Scheme to open it up for new public access.

3.44 The scheme operates in England and Wales and a similar one is offered in Scotland, as part of the agri-environment programme introduced in the context of CAP reform and is part-funded, via IB, by the EC. Participants receive annual compensatory payments in return for creating 10m-wide access routes and/or open spaces. The scheme opened in late 1994 and there have been 80 successful applications, significantly fewer than expected. Agreements commenced in January 1995 have provided 60 km of paths and 1,000 hectares of open space. The percentage of guaranteed set-aside land accessible to the general public was 29%. The impact of the scheme will be evaluated in 1997-98.

3.45 A key task will be to review the operation and uptake of the scheme by 1997.

Moorland Scheme

Programme Code: RE3:06

(£'000)	Planned	Estimated Outturn	Plans		
	1995-96	1995-96	1996-97	1997-98	1998-99
MAFF Scheme Costs	2,746	568	1,040	491	741
of which payments to agencies	722	568	690	258	258
payments to individuals	1,275	0	350	233	483
Territorial Scheme Costs	4,145	-2	4,715	4,415	3,915
Total Scheme Cost	**6,891**	**566**	**5,755**	**4,906**	**4,656**
EC Receipts	-2,478	0	-2,977	-2,680	-2,530
MAFF Administration Costs	433	169	258	321	318

3.46 The objectives of this Programme are to encourage the conservation and enhancement of the quality and extent of semi-natural heather and shrubby vegetation of moorland to the benefit of its wildlife and landscape.

3.47 MAFF administers the Moorland Scheme in England, as part of the UK's agri-environment implementation programme under EC Regulation 2078/92. The Scheme comprises payments to farmers over five years for each HLCA-eligible ewe removed from moorland to meet specific stocking density limits. The Scheme was launched in March 1995, with a payment of £24 per ewe removed from moorland. ADAS receives payment for developing management programmes and monitoring. Scheme uptake has been limited and the terms and conditions are being reviewed. It is partly funded via IB by the EAGGF.

Countryside Stewardship Scheme

Programme Code RE3:07

(£'000)	Planned	Estimated Outturn	Plans		
	1995-96	1995-96	1996-97	1997-98	1998-99
MAFF Scheme Costs	–	–	15,065	19,762	25,125
of which payments to agencies	–	–	2,840	3,137	3,500
payments to individuals	–	–	12,225	16,625	21,625
Territorial Scheme Costs	–	–	1,896	2,741	3,930
Total Scheme Cost	–	–	**16,961**	**22,503**	**29,055**
EC Receipts	–	–	-2,170	-2,170	-2,170
Non EC Receipts	–	–	-11	-11	-11
MAFF Administration Costs	–	–	-1,633	1,879	1,989

3.48 The objective of this Programme is to conserve and enhance important English landscapes (outside Environmentally Sensitive Areas), for their scenic beauty, wildlife, habitats, history and archaeology and to provide opportunities for people to enjoy the countryside.

3.49 From April 1996 the Ministry will take over the administration of the Countryside Stewardship Scheme from the Countryside Commission, which has managed it as a pilot scheme since it was set up in 1991. This involved a transfer to MAFF and IB totalling some £13m.

3.50 Following a review of environmental land management schemes the Government intends that Countryside Stewardship should be expanded to be the main incentive scheme for the wider countryside in England outside ESAs. Extra funding of £16m over three years was found in PES to allow for this expansion.

3.51 The scheme will encourage farmers and land managers to enter 10-year management agreements. The eligible landscapes and features include chalk and limestone grassland, lowland heath, waterside land, coast, uplands, historic landscapes, old traditional orchards, old meadows and pastures, community forests, the countryside around towns and traditional field boundaries (hedges, stone walls, banks and ditches). In consultation with interested organisations certain key landscapes and features from this list will be identified for each area of the country and these will be given priority for the available funds.

3.52 MAFF will pay ADAS to manage and monitor the scheme. Up to 50% of all eligible expenditure (excluding that on capital works) will be funded via IB by the EC under the Agri-Environment Regulation 2078/92.

By implementing MAFF's CAP obligations efficiently and by seeking a more economically rational CAP while avoiding discrimination against UK businesses

4.1 The UK's strategic objectives for the CAP, which relate to all Programmes associated with the CAP, are:

- To reduce costs to consumers and taxpayers
- To bring agriculture closer to the market
- To avoid discrimination against our agriculture and food sectors
- To ensure environmental concerns are integral to the CAP
- To reduce bureaucracy.

4.2 MAFF has overall responsibility for policy on the CAP and for negotiating on it within the EC. The respective roles of MAFF, IB and the other Agricultural Departments are set out in Chapters 1 and 9, and in paragraphs 4.6 and 4.11 below. A summary of EC CAP expenditure in the UK is provided in Annex 3. Key statistics can be found on page 98.

Central Planning on CAP

Programme Code: CE1:01

(£'000)	Planned	Estimated Outturn	Plans		
	1995-96	1995-96	1996-97	1997-98	1998-99
IB Scheme Costs	305	239	–	–	–
EC Receipts	-305	-239	–	–	–
MAFF Administration Costs	1,274	1,250	1,194	1,199	1,449

4.3 The objectives of this Programme are to ensure that through a co-ordinated approach to negotiations within the EC, MAFF adopts a coherent and effective attitude to the CAP and its reform, to ensure that financial management and budgetary considerations are taken into account in all CAP decisions, to monitor and advise upon agricultural state aids and to arrange for MAFF to fulfil its responsibilities to assist Parliament to scrutinise EC legislative proposals.

4.4 It also covers other issues and activities which cut across individual sectors, in particular policy on the agrimonetary system, the single market, EC enlargement, relations with EC institutions and bilateral relations with other Member States. Responsibility for operating the EC Surplus Food Scheme also rests with this Programme.

CAP Expenditure

4.5 Expenditure in the UK on CAP measures is funded in the first place by the UK Exchequer and later reimbursed (partly or fully) by the EC. The UK contributes to this reimbursement through its payments to the EC budget. It contributes more overall to the EC budget than it receives back, but the net cost to the UK is reduced by the abatement mechanism agreed at Fontainebleau.

4.6 CAP schemes can be divided into two categories; market intervention to support prices and direct payments to producers based on livestock numbers, crop acreage, etc. The first category, involving trader-based measures such as intervention purchasing, storage and export refunds are, in general, administered by IB and those in the second by MAFF and the other Agriculture Departments. A list of all paying agencies can be found in Chapter 1.

4.7 CAP support expenditure and receipts for specific sectors is set out in Annex 3. The growth in total UK expenditure since 1992-93 is due mainly to the impact of CAP reform measures, which has shifted the emphasis from price support to direct payments to producers. Changes in the UK green rate (the exchange rate used to convert ecu-denominated CAP support prices and aid rates into sterling) following the fall in the pound since late 1992 have also added to expenditure. The green rate in January 1995 was £0.79 to the ecu. By December 1995 it was £0.84, a difference of 7%.

4.8 EC expenditure on the CAP in 1995 was again held within the agriculture guideline (a legally binding ceiling on agricultural expenditure agreed by the European Council). As a proportion of total EC expenditure it continues to fall. The degree of subsidy provided to EC producers can be measured by the Producer Subsidy Equivalent; this is a calculation of the value of transfers to EC farmers and includes both the effect of intervention measures (measured by the difference between world and EC prices for agricultural goods) and direct payments to farmers.

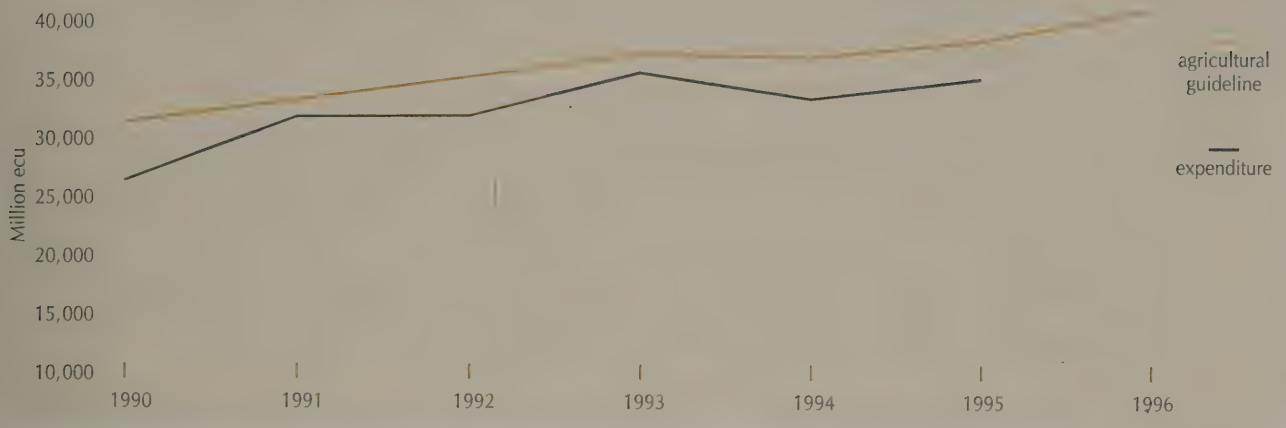
Table 21: Net total Producer Subsidy Equivalent in the EC

	1990	1991	1992	1993	1994	1995	1996	1997
Net PSE (nominal million ecu [mecu])	64,859	67,173	65,116	67,237	67,619	63,400	59,500	57,200
PSE as % by value of EC agricultural production	47	48	47	49	50	49	48	47

CAP Reform

4.9 MAFF continued to develop and press the case for further, more radical, CAP reform to deal with anticipated pressures on the policy resulting from the GATT Uruguay Round Agreement and EC enlargement to the East. In July, the results of the Minister's CAP Review Group were published and disseminated widely throughout Europe. The European Council in Madrid considered two reports from the Commission which reflected many of the arguments the UK has been stressing in favour of the need for early CAP reform. It concluded that the

Figure 2: EC expenditure on agricultural support



Commission should take its evaluation further and report back to future European Council meetings. Taking this work forward will be an important task in the coming year.

4.10 During the course of 1995, the Agriculture Council reached agreement on support prices for the 1995-96 marketing year and on a number of related measures. These included adjustments to the agrimonetary system resulting from the currency instability of early 1995. Although these agrimonetary measures cleared the way for green rate revaluations to take place, reducing the distortion of trade and competition between Member States and making significant budgetary savings, the UK voted against them because the freezing of green rates for direct CAP payments in strong currency countries will lead to the development of different levels of support across Member States undermining the principle of common support levels. The Government's consistent aim is to achieve a system which is automatic, straightforward and transparent in order to minimise unnecessary complications for the agriculture and food industries and ensure budgetary neutrality.

Financial Management of the CAP

4.11 The Council also amended the rules relating to the financial management of the CAP. Member States must now accredit their various paying agencies and lay down standards they must meet in line with Commission guidelines. Their annual accounts must be certified by independent auditors. This will allow Commission auditors to devote more time to checking Member States' control systems. A Co-ordinating Body must also be established to act as a single contact point with the Commission and to promote the harmonised application of EC rules. IB will perform this role in the UK.

State Aids

4.12 Following sustained UK pressure, the Commission initiated action to secure repayment of illegal state aids to the French pigmeat and Irish mushroom sectors. MAFF supported Commission proceedings against a number of Member States in respect of questionable

schemes in the biofuels sector. MAFF also pressed the Commission more generally to improve the transparency and effectiveness of its procedures for dealing with agricultural state aids.

Parliamentary Scrutiny

4.13 To enable the Parliamentary Scrutiny procedures to operate, MAFF must supply explanatory memoranda on EC legislative proposals that fall within the Ministry's responsibilities. The aim is constantly to improve their accuracy, completeness and timeliness. Because of the volume of legislation concerned, particularly under the CAP and CFP, MAFF submits many more memoranda than any other Department. The total supplied in 1995, including supplementary memoranda, was over 270.

EC Surplus Food Scheme

4.14 The declared aim of the EC Surplus Food Scheme, under which produce accumulated in intervention stores is disposed of to people in need, was to reduce stocks to more normal levels. In the UK, over 8, 500 tonnes of beef were released from intervention for distribution during 1995. The UK's withdrawal from the Scheme was announced on 28 November as part of the package of public expenditure savings that accompanied the 1995 budget.

4.15 A key task for 1996-97 will be to submit by the prescribed deadline 100% of claims for reimbursement of expenditure under the EAGGF guidance section in order to ensure none of these funds are lost.

Integrated Administration and Control System (IACS)

Programme Code: CE1:02

(£'000)	Planned	Estimated Outturn	Plans		
	1995-96	1995-96	1996-97	1997-98	1998-99
MAFF Scheme Costs	119	1,060	1,119	1,134	1,134
EC Receipts	–	-530	-530	-530	-530
MAFF Administration Costs	5,248	6,300	5,062	4,764	4,592
Receipts	-667	-2,478	-534	-546	-546
Net Administration	4,581	3,822	4,528	4,218	4,046

4.16 The objective of this Programme is to ensure that the Integrated Administration and Control System (IACS), which is an EC anti-fraud measure, is administered efficiently, effectively and economically so as to protect expenditure under the farm-based aid schemes which it covers. MAFF is responsible for administering IACS in England and is the competent

authority for co-ordinating the development of IACS by all Agriculture Departments. Certain of the IACS system set-up costs incurred up to the end of the transitional period, including IT development costs, are part-funded from EAGGF. This Programme also makes payments for remote sensing which are part-funded from EAGGF. This expenditure was not foreseen in the 1995-96 plans. In both cases, funds are received direct and not via IB. The level of IACS receipts cannot be forecast with confidence because it is difficult to predict in which financial year they might be received.

4.17 The IACS system requires farmers to submit an annual application providing details of their farmed land on a field by field basis. These details are held in a computerised database which provides the basis of co-ordinated checks on subsidy claims for Arable Area Payments, Beef Special Premium, Suckler Cow Premium, Sheep Annual Premium and Hill Livestock Compensatory Allowances.

4.18 All elements of the IACS were required to be in operation by 1 January 1996. In 1995, its third year of operation, forms were issued to farmers at least two months before the deadline for applications, as planned. Additionally, previous year applicants were provided with additional information to assist in the completion of forms. A central IACS computer database was established to enhance cross-checks between applicants and the land for which subsidies were claimed. MAFF also introduced a free service to farmers to provide new field numbers for fields where boundaries had changed permanently. For 1996, further improvements have been made to the IACS documentation including a simplified booklet and forms for applicants claiming livestock subsidies only. MAFF will continue to use remote sensing as part of its overall strategy for evaluating the accuracy of claims submitted under IACS.

4.19 A key task will be to complete the verification of all field data declared on IACS forms in time for processing of IACS forms in 1996.

REGIONAL SERVICE CENTRES

MAFF's regional administrative structure consists of nine Regional Service Centres located at Bristol, Cambridge, Carlisle, Crewe, Exeter (with a small outstation at Truro), Northallerton, Nottingham, Reading and Worcester. The Centres' work relates to many Programmes including grant and subsidy schemes, licensing and various other services provided to farmers and growers. Within available resources, the Centres aim to carry out administration of the various schemes efficiently to avoid EC-imposed penalties (for example, see paragraph 4.22). Each of the nine Regional Service Centres is headed by a Regional Director and each has a Regional Panel consisting of around nine members including the Chairman. The Panels are non-statutory bodies appointed by Ministers whose composition is designed primarily to reflect the farming system of the region. The membership includes farmers, landowners, environmentalists and those who it is considered can contribute effectively to the work of the Panel. Their main functions are to help maintain a communication link between MAFF and its customers, and to advise Ministers on the impact of policies at the local level.

Arable Area Payments

Programme Code: CE1:03

(£'000)	Planned	Estimated Outturn	Plans		
	1995-96	1995-96	1996-97	1997-98	1998-99
MAFF Scheme Costs	1,081,122	1,126,865	1,174,451	1,174,951	1,174,951
of which payments to agencies	705	699	664	664	664
payments to individuals	1,078,022	1,125,779	1,173,387	1,173,387	11,173,387
Territorial Scheme Costs	172,922	179,188	175,714	175,714	175,714
IB Scheme Costs	–	-53	–	–	–
Total Scheme Cost	**1,254,044**	**1,306,000**	**1,350,165**	**1,350,665**	**1,350,665**
EC Receipts	-1,250,939	-1,257,209	-1,349,101	-1,349,101	-1,349,101
MAFF Administration Costs	5,998	6,309	8,180	8,700	8,429

4.20 The objective of this Programme is to administer the Arable Area Payments Scheme (AAPS) efficiently and effectively in England. This CAP scheme, which began in 1993, offers direct area payments to growers of cereals, oilseeds and protein crops (market support schemes for the relevant crops are dealt with under separate Programmes). All but those claiming on a very small area have to set aside land in order to qualify for the payments. Each producer is required to make a fresh application each year; a copy of the previous application is returned to help complete the new application. Payment rates differ, reflecting differing regional yields and crop groups. The rates paid under the AAPS in England for 1995 were £269.17/ha for cereals; £456.76/ha for oilseeds; £388.80/ha for proteins; £520.36/ha for linseed and £340.95/ha for set-aside. All Arable Area Payments are fully refunded by the EC via IB. The IB Scheme Costs relate to forfeited securities on non-food set-aside.

4.21 In 1995 MAFF received just under 47,000 applications for the main AAPS, covering almost 3.8 million hectares of land (UK total – 4.45 m hectares). Ninety-nine per cent of advance oilseed payments were issued by 30 September 1995. Due, however, to the burden of validating claims to the exacting standards required under EC rules which proved to be greater than anticipated, only 83% of main payments on set-aside and other eligible crops were paid by 31 December, compared to the EC requirement of 96.14%. Nearly all the remaining main payments were made by the end of January 1996 and the resources used for AAPS payments and their deployment in future years are being carefully reviewed.

4.22 EAGGF clearance of accounts procedures undertaken by EC auditors, which identify any failures in the application of scheme controls, will be used to measure scheme effectiveness. There are penalties for such failures: monies may not be reimbursed by the EC if there are late payments and monies may be recovered by the EC for failure to effect proper controls. A target has been set of no more than 0.4% of scheme expenditure for both types of penalty taken together for any one year.

4.23 The main EC decision in 1995 was to make a further reduction in the set-aside requirement for crops to be harvested in 1996. The Council also agreed, after sustained pressure by the UK, that eligible arable land taken out of agricultural production under agri-environment and forestry schemes can count towards a grower's set-aside obligation under the AAPS. It is expected that this will result in an increase in the uptake of these schemes in the main arable areas and lead to a better integration of environmental and agricultural objectives within the CAP.

4.24 MAFF will aim to ensure that a decision on the set-aside rates to apply in 1996-97 is taken sufficiently early to inform farmers' planting decisions.

Five Year Set-Aside & Pilot Extensification Schemes

Programme Code: CE1:04

(£'000)	Planned	Estimated Outturn	Plans		
	1995-96	1995-96	1996-97	1997-98	1998-99
MAFF Scheme Costs	10,580	6,670	3,192	225	100
of which payments to individuals	6,754	6,478	3,192	225	100
Territorial Scheme Costs	1,268	1,403	1,225	617	617
Total Scheme Cost	**11,848**	**8,073**	**4,417**	**842**	**717**
EC Receipts	-5,082	-5,078	-2,714	-270	0
Non EC Receipts	–	-1	-1	-1	-1
MAFF Administration Costs	448	311	129	20	7

4.25 This programme consists of voluntary schemes under which farmers agreed, for five years, to take arable land out of production or reduce their sales of beef cattle and sheep in return for annual payments. The payments are partly funded by the EC. The schemes, which were described in more detail in the 1995 MAFF/IB Departmental Report, have been closed to new applicants since reform of the CAP in 1992. All the agreements terminate during 1996.

Cereals (including rice)

Programme Code: CE1:10

(£'000)	Planned	Estimated Outturn	Plans		
	1995-96	1995-96	1996-97	1997-98	1998-99
MAFF Scheme Costs	235	245	229	229	229
of which payments to agencies	109	116	103	103	103
IB Scheme Costs	130,838	32,607	74,170	64,046	54,056
Total Scheme Cost	**131,072**	**32,852**	**74,399**	**64,275**	**54,285**
EC Receipts	-130,158	-29,738	-63,128	-60,707	-55,270
MAFF Administration Costs	497	546	527	572	559

1994 UK cereals production 19,946 thousand tonnes (tht); output £2,424m; imports 2,886 tht; exports 4,761 tht.
1995 UK cereals production 21,809 tht; output £2,908m.

4.26 The Programme mainly comprises market support expenditure by IB (refunded from the EAGGF); area payments are provided for under Programme CE1:03. It includes MAFF's responsibility for and relations with the Home Grown Cereals Authority (HGCA).

4.27 The progressive reduction in the EC cereals intervention price, decided in 1992, has not been matched by a fall in market prices. As a result the progressively increasing area payments, introduced at the same time, have overcompensated producers. MAFF is pressing for these to be reduced. Intervention stocks have fallen sharply. Stocks of barley in the UK fell from 976,300 tonnes at the beginning of January to 16,800 tonnes at the end of December 1995. Stocks of wheat in UK intervention fell from 6,500 tonnes to zero: For comparison, in 1986, wheat stocks in UK intervention were 3.6 million tonnes.

4.28 In the second half of the year, the world price for cereals rose above the EC support level and pulled up EC market prices further. In September, following UK pressure, the Agriculture Council and Commission agreed that the market should be managed so as to give priority of supply to consumers. In November, provision was made for a levy on wheat exports, subsequently introduced in December. At the end of December, provision was also made for a levy on barley. These developments have reduced expenditure on market management throughout the EC.

4.29 A key task for 1995 was to ensure that the interests of UK rice millers were not damaged by the implementation of the GATT agreement, or by the negotiations with third countries on the compensation owed to them for EC enlargement, or by the reform of the EC support system of rice. Despite certain concessions subsequently made in the context of

enlargement, this was largely achieved through the introduction of a reference price system for the calculation of import duties.

Home Grown Cereals Authority

4.30 The HGCA is a statutory non-Departmental public body (NDPB) funded by a levy on the industry. It aims to improve the production and marketing of cereals and oilseeds. It also acts as an agent for the IB for certain cereals intervention operations. MAFF makes an annual payment (currently £105,000) in recognition of the benefits of the HGCA's market information service. Ministers agreed a reduction in the membership of the Authority from 21 to16 with effect from 3 June 1995.

Oilseeds and other Arable Crops

Programme Code: CE1:11

(£'000)	Planned	Estimated Outturn	Plans		
	1995-96	1995-96	1996-97	1997-98	1998-99
MAFF Scheme Costs	139	139	131	131	131
of which payments to agencies	139	139	131	131	131
IB Scheme Costs	16,938	14,947	19,318	19,318	19,318
Total Scheme Cost	**17,077**	**15,086**	**19,449**	**19,449**	**19,449**
EC Receipts	-16,938	-14,947	-19,318	-19,318	-19,318
MAFF Administration Costs	334	329	348	357	354

1994 UK oilseed rape production 1,254 tht; output £389m; imports 386 tht; exports 80 tht.
1995 UK oilseed rape production 1,241 tht; output £362 tht.
1994 UK protein crop production 700 tht; output £150m.
1995 UK protein crop production 561 tht; output £138m.

4.31 This programme covers support under the CAP for oilseeds (rapeseed, sunflower seed and soya beans), protein crops (dried peas, field beans and sweet lupins), linseed, dried fodder, olive oil, textile fibres (including flax and hemp) and grain legumes (chick peas, lentils and vetches).

Oilseeds, Protein Crops and Linseed

4.32 Oilseeds, protein crops and linseed are eligible for payments, linked to set aside, under the Arable Area Payments Scheme (see Programme CE1:03). Under an agreement between the EC and the US, corrective measures must be taken if the by-products (meal) from the processing of oilseeds grown on set-aside land exceed one million tonnes of soya meal equivalent in the EC as a whole. A key task for 1996-97 will be to ensure that this restriction is implemented equitably and without imposing unnecessary burdens on producers or processors.

Dried Fodder, Olive Oil, Flax, Hemp, Cotton and Grain Legumes

4.33 An aid is paid to processors of dried fodder (£57 per tonne for artificially dried fodder, £32 per tonne for sun dried fodder) for a maximum guaranteed quantity set at the 1992-93 level of production. Aid is reduced if EC production exceeds this quantity.

4.34 Support for olive oil is paid mainly to growers but there is also a payment to bottlers of olive oil to make it more competitive with other vegetable oils. Some of this aid is paid in the UK at a rate of about £102 per tonne from November 1995.

4.35 Growers of flax and hemp receive aid at rates of £595 or £685 per hectare (depending on de-seeding methods) for flax and £654 per hectare for hemp.

4.36 There is also aid for certain grain legumes but uptake in the UK is minimal. IB operates all these schemes.

4.37 Reforms were agreed to the cotton regime in 1995 of which the most important effect was to strengthen the cuts in aid payments when production exceeds the maximum guaranteed quantity.

Sugar and Tobacco

Programme Code: CE1:12

(£'000)	Planned	Estimated Outturn	Plans		
	1995-96	1995-96	1996-97	1997-98	1998-99
MAFF Scheme Costs	1	1	1	1	1
IB Scheme Costs	109,381	131,697	134,669	134,669	134,669
Total Scheme Cost	**109,382**	**131,698**	**134,670**	**134,670**	**134,670**
EC Receipts	-109,381	-131,697	-134,669	-134,669	-134,669
MAFF Administration Costs	278	291	270	277	276
Receipts	-22	-23	-22	-23	-23
Net Administration	256	268	248	254	253

1994 UK sugar production from beet 1,263 tht; output of sugar beet £307m; sugar imports (almost all raw cane sugar) 1,161 tht; exports 504 tht.
1995 UK sugar production from beet 1,250 tht; output of sugar beet £323m.

Sugar

4.38 The CAP for sugar, administered by IB in the UK, relies on market support through intervention prices, import tariffs and export subsidies, all within the framework of production quotas. There is a scheme for making low cost sugar available for non-food uses by the chemical industry. The costs of all these measures are mainly met from levies on production, shared between beet growers and processors. Payments are made on quota sugar held in store by processors to help ensure a constant supply onto the market of a product the processing of which has to be concentrated in a few months. These payments are financed by a separate levy on first marketings of quota sugar. The net cost of the regime to the EC budget is therefore comparatively low, although for technical reasons the receipts of some £68m per year are classified as revenue (EC Own Resources) rather than EAGGF receipts and, therefore, do not feature in the table on the previous page. The price of sugar is however kept artificially high, imposing a substantial burden on consumers.

4.39 The Lomé Convention Sugar Protocol enables a given quantity of cane sugar to be imported into the EC at zero duty. No production levies are charged on this and the EC budget bears the cost of export subsidies for an equivalent volume of EC sugar and of aid paid to refiners of cane sugar.

4.40 In April 1995 the Agriculture Council extended the existing arrangements for the six years from 1995-2001, with only minor changes. The main modifications are provisions for production quota levels to be reduced as necessary, to meet GATT limits on subsidised exports and adjustments to arrangements for cane imports. The cuts will impinge less on the UK than other Member States.

Tobacco

4.41 The UK does not grow tobacco. The regime does not directly affect the price to consumers since the subsidy is paid to producers, the tobacco fetches the going market price and the Community imports over two-thirds of its requirement. The cost of support per hectare is the highest of all the CAP regimes. The Scheme is due to be reviewed in 1996 and a key task will be to secure changes which reflect UK concerns.

Alcohol and Alcoholic Drinks

Programme Code: CE1:13

(£'000)	Planned	Estimated Outturn	Plans		
	1995-96	1995-96	1996-97	1997-98	1998-99
MAFF Scheme Costs	411	404	402	405	405
of which payments to agencies	15	8	14	14	14
IB Scheme Costs	23,940	20,115	15,247	14,204	13,165
Total Scheme Cost	**24,351**	**20,519**	**15,649**	**14,609**	**13,570**
EC Receipts	-23,940	-20,115	-15,247	-14,204	-13,165
MAFF Administration Costs	458	360	400	404	404

Table 22: Alcoholic drinks: production and trade 1994

'000 hectolitres of pure alcohol		Spirits	Beer	Wine	Cider, Perry and made wine [a]
UK production		4,129	58,333	11	4,731
Trade	Imports	560	5,320	8,190	340
	Exports	3,000	3,180	80	210
Value of production [c] in £ million		2,010[b]	4,580[b]		510[b]

Notes [a] Wine manufactured from imported grape must.
[b] 1992 figure.
[c] Comprises sales of goods produced, receipts for work done and services rendered.

4.42 The objectives of this programme are:

- To safeguard and promote the interests of UK producers, traders and consumers of alcoholic drinks
- To seek to make the CAP regime more cost-effective and efficient
- To secure more effective enforcement of EC legislation throughout the EC in the interests of UK producers, consumers and taxpayers
- To ensure the most cost effective enforcement of EC legislation in the UK.

4.43 Exports of Scotch whisky world-wide were worth £2,191m in 1994, of which £1,238m were outside the EC. In respect of exports outside the EC, IB administers payments to whisky distillers reflecting the difference between EC and world cereal prices. Their costs, fully met by the EAGGF, has fallen as this gap has reduced. Expected expenditure under this scheme for

1995-96 is £20.2 million. In 1995 the UK has successfully resisted moves to abolish these payments and will continue to defend them so long as EC cereals prices would otherwise disadvantage the industry.

4.44 Expenditure under the CAP wine arrangements in the UK is administered by IB, and is limited to subsidies on the price of concentrated grape must (juice) of EC origin used to produce 'made' wine. The subsidy is designed to increase the use of Community must. The British wine industry and the makers of 'home wine kits' receive a subsidy of 20p and 26p per kilogram respectively. The estimated cost of the scheme in 1995-96 is £0.46m.

4.45 There was no discussion during 1995 of the Commission's proposals for reform of the CAP for wine, described in last year's Report. When negotiations resume, the key aim will be cost effective arrangements which discourage surplus production and do not impose unnecessary restrictions on the UK's own wine production.

Wine Standards Board

4.46 The programme includes responsibility for the Wine Standards Board (WSB). The WSB's function is to ensure compliance with the EC wine law in the UK, other than at retail stage. It provides technical advice and undertakes inspections of establishments, and follows up irregularities, including preparation of prosecution cases. The WSB was reviewed during 1995-96 and Ministers accepted the recommendation that it should continue in its current form for the next five years. The Vintners' Company contribute £96,000 annually to its cost, as well as a subsidy on accommodation costs. MAFF's contribution in 1995-96 is budgeted at £377,000.

4.47 The Wine Standards Board has published a Code of Enforcement which has been made available to all traders and vineyard owners. This sets out the standards of service which can be expected from the Inspectorate.

Beef

Programme Code: CE1:20

(£'000)	Planned	Estimated Outturn	Plans		
	1995-96	1995-96	1996-97	1997-98	1998-99
MAFF Scheme Costs	191,215	206,542	205,356	229,306	229,306
of which payments to agencies	45	43	43	43	43
payments to individuals	190,925	206,219	205,098	229,048	229,048
Territorial Scheme Costs	253,967	242,912	249,589	268,342	268,342
IB Scheme Costs	75,635	76,578	78,211	80,271	76,532
Total Scheme Cost	**520,817**	**526,032**	**533,156**	**577,919**	**574,180**
EC Receipts	-522,694	-518,488	-523,185	-577,061	-573,543
MAFF Administration Costs	8,622	8,580	9,227	9,504	9,203

1994 UK production 945 tht; output £2,415m; imports 188 tht; exports 289 tht.
1995 UK production 1,004 tht; output £2,617m.

4.48 The objectives of this Programme are:

- To ensure that Common Agricultural Policy decisions affecting beef take account of UK interests
- To administer the beef premium schemes efficiently and effectively
- To avoid beef intervention in the UK except in emergencies.

4.49 The Scheme Costs mainly comprise UK market support expenditure by IB and payments under the beef premium schemes by the Agriculture Departments. All these costs are fully funded by the EC through the IB.

Beef Premium Schemes

4.50 The amount of direct subsidies paid to beef farmers rose substantially. Under the Beef Special Premium Scheme, MAFF makes a payment up to twice in the life of male beef animals: In 1995 this was worth up to £85.82 per animal (1994: £69.07). The cost of these payments in England is forecast at £129m in 1995-96 (UK £247m). The Suckler Cow Premium Scheme paid out £114.43 per cow in 1995 for cows used for rearing beef calves. The estimated cost of this scheme in England in 1995-96 is £77m (UK £202m). Payments of Suckler Cow Premium are limited by individual, but tradeable, quotas per producer. The total quota allocated in England is estimated at 710,000 head of cattle. Both these schemes include supplements for extensive production.

Market Support Schemes

4.51 IB administer beef schemes including export subsidies and intervention. 1995-96 costs of export subsidies are estimated at £95m, while receipts from sales of intervention beef are expected to be £26m. 1995 saw no intervention buying-in and further reductions in EC and UK intervention stocks, which stood at 6,068 tonnes and 5,072 tonnes respectively by the end of the year, down to around 4% of 1993 levels. There were also significant decreases in export refund rates. Beef prices for farmers were generally higher in the second half of 1995 than 1994, but towards the end of the year they fell back because of domestic consumers' concerns about BSE. However, exports helped to maintain prices.

4.52 During 1996 MAFF will continue to seek ways of simplifying the premium schemes; encourage the Commission to simplify export refund nomenclature and to manage the market in such a way so as to prevent renewed intervention buying and aim to encourage in consultation with industry a market for 'welfare friendly' veal in order to reduce industry's dependence on live calf exports.

Sheep

Programme Code: CE1:21

(£'000)	Planned	Estimated Outturn	Plans		
	1995-96	1995-96	1996-97	1997-98	1998-99
MAFF Scheme Costs	196,111	178,464	209,853	193,587	193,587
of which payments to agencies	91	58	86	86	86
payments to individuals	195,908	178,311	209,766	193,500	193,500
Territorial Scheme Costs	276,443	258,262	300,579	275,361	275,361
IB Scheme Costs	3,814	-863	2,980	2,980	2,980
Total Scheme Cost	**476,368**	**435,863**	**513,412**	**471,928**	**471,928**
EC Receipts	-476,165	-434,940	-504,636	-470,960	-470,960
MAFF Administration Costs	4,676	3,747	4,654	4,254	4,128
Receipts	-518	-366	–	–	–
Net Administration	4,158	3,381	4,654	4,254	4,128

1994 UK production 391 tht; output £1,198m; imports 119 tht; exports 163 tht.
1995 UK production 401 tht; output £1,273m.

Sheep Annual Premium Scheme

4.53 Producers receive a payment on eligible ewes related to the EC average market price of sheepmeat. For the 1995 Scheme, the total payment was £21.26 per ewe. In addition, a supplement of £5.69 per ewe is paid to producers in Less Favoured Areas. Payments are limited by quotas, as for the Suckler Cow Premium. The latest estimate of total sheep premium quota is £8.65 million in England (UK 19.62m).

Market Support

4.54 The sheepmeat Private Storage Aid Scheme, administered by IB, is an EC-wide scheme funded by the EAGGF. It is expected to cost £0.3m in the UK in 1995-96. Receipts (recovery of sheep export levies which operated until January 1992 but which were delayed by legal challenges) are estimated at £1.2m, with the possibility of a further £2.6m depending on the outcome of legal action.

Livestock Quotas

4.55 In June 1995, the Agriculture Departments lost a case in the High Court brought by the National Farmers' Union, together with 170 farmers, who claimed that some producers had been wrongly denied a share in the national reserve set up to handle hardship cases. These were farmers who were developing their holdings when quotas were introduced. After agreement with the interested parties, the process of reassessing allocations according to revised guidelines was started on 15 January 1996 and will not be completed before the summer of 1996. Farmers affected adversely by this reassessment will be compensated.

Wool

4.56 The British Wool Marketing Board continued to operate its statutory obligation to collect and sell almost all fleece wool. A review of the Board was carried out during 1995 as part of the regular programme of reviews of statutory bodies for which the Government is responsible. It concluded that the Board's current powers should be retained for the time being, but that the next review should be in three years' time.

Fatstock Inspectorate

4.57 The responsibility for the Fatstock Inspectorate is transferring to IB on 1 April 1996. Consequently there will be a fall in receipts from that date.

Pigmeat (including farmed deer and venison and sponsorship of the Meat and Livestock Commission (MLC))

Programme Code: CE1:22

(£'000)	Planned	Estimated Outturn	Plans		
	1995-96	1995-96	1996-97	1997-98	1998-99
MAFF Scheme Costs	370	318	328	328	328
of which payments to agencies	46	46	44	44	44
IB Scheme Costs	1,755	1,857	1,800	1,800	1,800
Total Scheme Cost	**2,125**	**2,175**	**2,128**	**2,128**	**2,128**
EC Receipts	-1,755	-1,857	-1,800	-1,800	-1,800
MAFF Administration Costs	196	308	183	185	185

1994 UK production 1,503 tht; output £991m; imports 388 tht; exports 153 tht.
1995 UK production 1,014 tht; output £1,151m.

Pigmeat

4.58 The CAP pigmeat regime requires producers to look to the market for their returns and provides only limited indirect support measures, operated by IB, through a system of export refunds, aids to private storage and exceptional support measures; the costs are fully reimbursed from the EAGGF. MAFF scheme costs represent MLC commissioners' salaries and expenses and payments to ADAS.

4.59 The pigmeat market is cyclical and market conditions for pig producers which were difficult during most of 1993 and 1994 improved to make 1995 a successful year for most producers. Profitability is expected to continue at satisfactory levels into 1996. As for other commodities, the quantities of product exported with refunds and expenditure on these refunds, have to be progressively reduced as a result of the GATT settlement which was effective from 1 July 1995.

Deer and Venison

4.60 There is no CAP regime for farmed deer or venison nor any national support measures.

The Meat and Livestock Commission (MLC)

4.61 As part of the Government's regular review of all NDPBs, the Meat and Livestock Commission (MLC) was reviewed by the Agriculture Departments in 1993-94 and, in 1995, when confirming continued support for the MLC, Ministers announced a number of changes to its structure and funding. Some of these will require amendments to primary legislation when Parliamentary time is available.

Eggs and Poultry

Programme Code: CE1:23

(£'000)	Planned	Estimated Outturn	Plans		
	1995-96	1995-96	1996-97	1997-98	1998-99
MAFF Scheme Costs	46	93	44	44	44
of which payments to agencies	46	93	44	44	44
IB Scheme Costs	2,569	2,284	1,375	1,375	1,375
Total Scheme Cost	**2,615**	**2,377**	**1,419**	**1,419**	**1,419**
EC Receipts	-2,569	-2,284	-1,375	-1,375	-1,375
MAFF Administration Costs	1,309	1,373	1,141	1,152	1,150

1994 UK poultrymeat production 1,147 tht; output £1,000m; imports 203 tht; exports 106 tht.
1995 UK poultrymeat production 1,222 tht; output £1,017m.
1994 UK hen egg production 885 mdoz; output £414m; imports 44 mdoz; exports 10 mdoz.
1995 UK hen egg production 887 mdoz; output £392m.

4.62 The CAP regime for eggs and poultry requires producers to get their returns from the market, with limited indirect support to compensate Community producers for higher cereal prices by way of import tariffs, additional duties where market stability is threatened by low priced imports and export refunds. The latter are administered by IB and their cost is reimbursed from the EAGGF. There are EC marketing standards for eggs, concerned with quality and production methods. These are enforced by the Egg Marketing Inspectorates for England and Wales, for Scotland and for Northern Ireland. They are responsible for standards from farm level to retail, from which point local authorities take over. MAFF Administration Costs include the England and Wales Egg Inspectorate. Similar poultry meat marketing standards are enforced entirely by local authorities.

4.63 As for other commodities, the limits on the volume of subsidised exports and expenditure thereon, resulting from the GATT Uruguay Round, applied from 1 July 1995. The limits are derived from volume and expenditure in a base period. The expenditure limit should not cause a serious problem because the progressive reduction in EC cereals support prices decided in the 1992 CAP reforms (coupled, for the time being, with an increase in world cereal prices) has significantly reduced the rates of export refund. The volume limit, on the other hand, will result in a sharp initial fall in EC subsidised exports of poultry meat compared with the immediately preceding level, with the risk that this will depress returns to producers from sales within the EC.

4.64 The UK pressed for and secured a change to EC egg marketing legislation so as to permit, but not require, battery eggs to be labelled as 'eggs from caged hens'.

Milk and Milk Products

Programme Code: CE1:24

(£'000)	Planned	Estimated Outturn	Plans		
	1995-96	1995-96	1996-97	1997-98	1998-99
MAFF Scheme Costs	247	429	230	235	235
of which payments to agencies	243	213	225	230	230
IB Scheme Costs	236,313	176,697	217,958	183,521	179,249
Total Scheme Cost	**236,556**	**177,126**	**218,188**	**183,756**	**179,484**
EC Receipts	-238,447	-176,697	-217,931	-183,626	-179,407
MAFF Administration Costs	970	968	979	1,010	969

1994 UK raw milk production 14,302bn litres; output £3,279m.
1995 UK raw milk production 13,950bn litres; output £3,507m.
1994 UK milk product imports £1,080m; exports £662m.
1993 UK milk products output £5,622m.

4.65 The objectives of this programme are:

- To ensure that quota administration assists the UK dairy industry to make the most of the UK's limited supply of quota
- To protect the interests of UK consumers, producers, traders and processors
- To ensure that the formulation and implementation of EC legislation takes account of the structure and needs of the UK dairy industry
- To promote developments in EC policy consistent with MAFF's aims for the dairy sector; in particular, to encourage reductions in surplus production and in financial and other resource costs.

4.66 Under the Milk and Milk Products Programme, IB administers support measures for milk and milk products, including intervention, subsidized disposal of butter and skimmed milk powder, the school milk scheme and export refunds. IB is also responsible for the administration of milk quotas.

4.67 The world and EC markets for milk products continued firm during 1995. Prices remained high and no butter or skimmed milk powder was taken into intervention. MAFF aims to promote EC policies which keep intervention stocks at a low level. Sales of intervention stocks continued, with the result that these stocks were all but exhausted by the end of 1995. Reduction of expenditure on export refunds as a result of these commitments, together with

the continued run-down of intervention stocks, led to a significant reduction in IB Scheme Costs in the dairy sector.

4.68 For 1995-96, the intervention prices for butter and skimmed milk powder were maintained at 1994 levels. From March 1996, the intervention price for skimmed milk powder will be adjusted according to protein content. The Council's failure to agree a cut in the butter intervention price was disappointing since it would have reduced pressure for future cuts in quota. The UK will continue to resist any erosion of its already inadequate allocation of quota.

4.69 Deregulation of the milk market on 1 November 1994 has proved less difficult than predicted by some. Nevertheless, there have been significant increases in the price that dairy farmers receive for their milk and the price which milk processors pay. Dairy processors have complained to the Office of Fair Trading (OFT) about Milk Marque's trading practices.

4.70 The Milk Development Council (MDC) was established on 7 February 1995. It is funded by a levy on all milk producers in Great Britain (currently 0.04 pence per litre). Uses to which its levy income may be put include R&D, livestock improvement, the preparation of statistics and the provision of human nutritional guidance. It may not fund generic advertising.

By creating the conditions in which efficient and sustainable agriculture, fishing and food industries can flourish

Potatoes

Programme Code: CE2:01

(£'000)	Planned	Estimated Outturn	Plans		
	1995-96	1995-96	1996-97	1997-98	1998-99
MAFF Scheme Costs	275	120	123	123	123
of which payments to agencies	25	25	23	23	23
MAFF Administration Costs	138	130	135	139	139

1994 UK production 6,531 tht; output £711m; imports 1,089 tht (of which 672 tht processed raw equivalent); exports 323 tht (of which 70 tht processed raw equivalent).
1995 UK production 6,297 tht; output £1,004m.

4.71 The objective of this Programme is to promote the more efficient production, processing and marketing of potatoes and potato products. MAFF Scheme Costs relate to payments for the provision of statistical information by the Potato Marketing Board (PMB) and to payments to ADAS.

4.72 There is no EC regime for potatoes although a Commission draft is on the table. The UK could only accept a lightweight regime, with no provision for intervention or other market support, which brought potatoes within the competition rules of the Treaty of Rome. In the absence of a regime, Member States are relatively free to support their domestic industries. In Great Britain this has been through the Potato Marketing Scheme (PMS), administered by the PMB. Following consultation, Ministers have made an Order under the Agriculture Act 1993 which will lead to revocation of the PMS on 1 July 1997.

4.73 In the move towards a free market, the PMB continued to make efficiencies which have resulted in a further reduction in the levy paid by producers from £48 to £45 per hectare in the 1995-96 crop year. It has also announced that 1996 will be a quota-free year.

Horticulture (including bees)

Programme Code: CE2:02

(£'000)	Planned	Estimated Outturn	Plans		
	1995-96	1995-96	1996-97	1997-98	1998-99
MAFF Scheme Costs	5,414	9,486	1,542	1,545	1,545
of which payments to agencies	1,818	1,756	1,542	1,543	1,543
payments to individuals	3,596	7,730	–	–	–
Territorial Scheme Costs	3	66	–	–	–
IB Scheme Costs	6,474	5,312	5,239	5,239	5,304
Total Scheme Cost	**11,891**	**14,864**	**6,781**	**6,784**	**6,849**
EC Receipts	-9,646	-12,642	-4,813	-4,813	-4,853
MAFF Administration Costs	4,343	4,184	4,178	4,222	4,209
Receipts	-81	-82	-81	-81	-81
Net Administration	4,262	4,102	4,097	4,141	4,128

1994 UK horticultural output £1,867m; imports (including from the Channel Islands) £2,302m; exports £123m.
1995 UK horticultural output £1,954m.

4.74 The objective of this programme is to underpin a viable, commercial and market-oriented horticultural production industry in the UK.

Fresh Fruit and Vegetables

4.75 The CAP regime for fresh fruit and vegetables is based on common rules for trade with third countries, quality standards, withdrawals of produce from the market and a limited range of export refunds. MAFF administers quality standards through the Horticultural Marketing

Inspectorate which works to a Code of Practice under the Citizen's Charter. Most other aspects are administered by IB. A Commission proposal to reform the regime is currently under discussion in the Agriculture Council. MAFF's aim in these discussions is to move the sector closer to the market place and minimize the withdrawal (and destruction) of fresh produce.

4.76 Most payments (£7.7m) under the 1994-95 EC Apple Orchard Grubbing Scheme, which was administered by MAFF, fell in 1995-96. Higher than estimated expenditure resulted from higher up-take than anticipated. IB Scheme Costs relate to CAP schemes, principally withdrawal and intervention and promoting consumption of community grown apples. Citrus processing aid is available to processors using Community fruit, who have paid at least a minimum purchase price to producers. Expenditure on these schemes is fully reimbursed by the EC.

Plants and Flowers

4.77 The EC flowers and plants regime consists of the application of preferential customs duties for roses and carnations from certain third countries.

Hops

4.78 The hops regime, administered by IB and reimbursed by the EC, aims to improve quality through a system of certification, and support growers by payment (via producer organisations) of income aid, based on change in income over the previous year. Income aid for the 1994 UK harvest (paid in 1995-96) is estimated at £1.4 million. Until the end of 1995, aid at £2,300 per hectare was available to encourage growers to convert to more marketable varieties. This is estimated to cost £0.3 million in the UK in 1995-96.

Covent Garden Market Authority

4.79 MAFF is responsible for the Covent Garden Market Authority (CGMA). The Government is committed to disposing of its assets when legislative time permits, but has agreed that CGMA may fill vacant space with new lettings to maintain profitability. During 1995-96, CGMA paid £0.8m into Consolidated Fund Extra Receipts (CFERs), representing excess revenues accrued during 1993-94 (as CFERs, this figure is excluded from the receipts shown in the financial table for this Programme: see Annex 4).

Non-Departmental Public Bodies (NDPBs)

4.80 The Horticultural Development Council and Apple and Pear Research Council are responsible for commissioning near market R&D in their respective sectors. Ministerial appointments to both Councils were made in 1995.

Bees

4.81 Bee health policy in the UK requires the notification of specified diseases, provides for inspections, treatment or destruction of infected bees, movement restrictions in infected areas

and restrictions on imports. The most virulent bee disease, varroa, was first confirmed in England in 1992. MAFF policy has been to delay its spread throughout the UK for as long as possible by controlling movement of bees into and out of a Statutory Infected Area. By December 1995, 2,400 cases of varroa had been confirmed in England as far north as Merseyside in the west and Cleveland in the east. Around 50 cases have also been confirmed in Wales.

Alternative Crops

Programme Code: CE2:03

(£'000)	Planned	Estimated Outturn	Plans		
	1995-96	1995-96	1996-97	1997-98	1998-99
MAFF Administration Costs	275	215	214	219	224

4.82 This Programme aims to encourage viable production of arable crops as renewable raw materials for industrial and energy purposes. It helps industry to identify new markets and business opportunities by bringing interested business sectors together, by disseminating information about potential new materials and products, and by promoting in the community at large awareness and understanding of the potential for these alternative crops.

4.83 Methods include organising and participating in workshops and seminars and other measures to help create links between growers, researchers, processors and end-users. MAFF funds research and development to produce underpinning science and this is furthered by co-ordination of programmes with other Government Departments, research councils and the Alternative Crops Technology Interaction Network and through LINK programmes. MAFF also encourages attention to the environmental impact – including benefits – of new crops and continues to work to address potential obstacles to the development of new business, for example by pressing for changes to unhelpful EC rules.

Trade Policy & Tropical Foods

Programme Code: CE2:10

(£'000)	Planned	Estimated Outturn	Plans		
	1995-96	1995-96	1996-97	1997-98	1998-99
MAFF Scheme Costs	150	142	150	150	150
MAFF Administration Costs	628	671	613	621	621

4.84 This Programme's objectives are to promote increased liberalisation of agricultural trade, to ensure continuing access to the EC market for the UK's traditional banana suppliers in the Caribbean and to seek the economical administration of the International Coffee and Cocoa Organisations.

Trade Liberalisation

4.85 EC implementation of its commitments under the GATT Uruguay Round Agriculture Agreement began from 1 July 1995. Progressive annual reductions in import protection and subsidised exports will be made up to 1 July 2000. MAFF participates in the Agriculture Committee and the Sanitary and Phytosanitary Committee of the new World Trade Organisation (WTO) which monitor the implementation of the Uruguay Round commitments.

EC Trade Negotiations

4.86 Negotiations to compensate non-EC countries for lost export opportunities as a result of EC enlargement were concluded in December 1995 and included the amalgamation of the Uruguay Round commitments of the three new Member States with those of the EC 12.

4.87 New agreements have been concluded with Israel, Tunisia and Morocco offering improved access to the EC for some agricultural products. Further agreements are now under negotiation with other non-EC Mediterranean countries, Mercosur (a trading block comprising Argentina, Brasil, Uruguay and Paraguay), Chile and Mexico. New agricultural trade concessions have been offered to the African, Caribbean and Pacific (ACP) countries in the mid-term review of the Fourth Lomé Convention. A wider range of agricultural concessions has been offered to South Africa under the General Scheme of Preferences (GSP) with further liberalisation under consideration. In all these negotiations, MAFF has urged the Commission to offer improved preferential access, consistent with maintaining stability on EC markets.

Bananas

4.88 The EC banana regime ensures that traditionally sourced bananas continue to be available to consumers through tariff preferences for ACP suppliers and incentives to importers to bring in ACP fruit. In 1994, supplies of bananas to the European market were 3,466,402 tonnes. Of this, 635,411 tonnes (18%) came from ACP suppliers with traditional links to the EC including the UK's traditional suppliers in Jamaica (76,294 tonnes), Belize (46,980 tonnes), and the Windward Islands (171,794 tonnes). Production shipped from the EC regions of the French Overseas Departments, the Canaries, Crete and Madeira accounted for 645,174 tonnes. The balance represents fruit from Latin America.

4.89 Tropical storms hit the Windward Islands in 1994 and 1995 causing extensive damage to banana production. MAFF pressed successfully for extra import licences to enable representatives of producers in the Islands to make up the supply shortfall. In 1994, 17,500 tonnes were awarded and in 1995, 41,665 tonnes.

4.90 The US, Guatemala, Honduras and Mexico have sought formal consultations under the WTO dispute settlement procedures alleging trade discrimination. MAFF is actively assisting the Commission in resisting this challenge.

4.91 Proposals for modifications to the regime, including some of benefit to ACP producers, are under consideration in Council. MAFF has pressed for early progress.

4.92 UK retail prices of bananas have fallen since the introduction of the regime in July 1993. In July 1993 the UK average retail price was 48p/lb (£1.06 per kg) compared to 43p/lb (£0.95 per kg) in July 1995.

Coffee and Cocoa

4.93 Scheme expenditure comprises UK payments towards the administration costs of the International Coffee and Cocoa Organisations, based in London. MAFF is active in securing economies in their budgets.

4.94 In July 1995, Ministers announced that following the liquidation of the Cocoa Buffer Stock, and the return of the UK's share of the proceeds to the Consolidated Fund, £2.2m would be made available to fund the establishment of a new limited company to manage advanced research of benefit to the UK trade, industry and consumers. The new body will be established in Spring 1996.

Improved Marketing

Programme Code: CE2:11

(£'000)		Planned	Estimated Outturn	Plans		
		1995-96	1995-96	1996-97	1997-98	1998-99
MAFF Scheme Costs		18,143	14,599	10,667	7,931	3,876
of which	payments to agencies	122	173	114	114	114
	payments to individuals	12,433	14,420	10,547	7,811	3,756
Territorial Scheme Costs		7,439	12,833	9,005	8,957	8,954
IB Scheme Costs		66,788	56,462	52,138	52,138	52,138
Total Scheme Cost		**92,370**	**83,894**	**71,810**	**69,026**	**64,968**
EC Receipts*		-74,480	-65,531	-58,905	-56,629	-53,306
MAFF Administration Costs		1,176	1,015	975	991	990

* In order to retain consistency with MAFF's Supply Estimates, EC receipts in respect of other Agricultural Departments Scheme Costs are not included. These can be found in the respective Supply Estimates and Departmental Reports.

4.95 The objective of this Programme is to foster the efficiency and competitiveness of the food and drink industry by encouraging the effective marketing of its products and the spread of best practice. This is achieved through the operation of marketing grant schemes by targeted marketing initiatives, by export refunds for processed foods under EC legislation (administered by IB) and by the issue of export certificates. The work links closely with wider government policies on competitiveness.

Marketing Initiatives

4.96 In 1995-96, the department's Market Task Force organised seven major conferences and best practice seminars for various sectors, which resulted in industry action on collaboration and promotion. An export promoter for horticulture was seconded to the Task Force for eight months to develop plans for a new export bureau to encourage growers to improve their export performance. A national award for best collaborative practice was sponsored to highlight the benefits to business of supply chain collaboration. Support continued for the Initiative on Food Marketing, the group following up the Prime Minister's food marketing seminars. Its major achievement was the development of a new marketing training programme for farmers.

Marketing Grant Schemes

4.97 The Marketing Development Scheme was introduced in 1994. It provides 50% non-capital grants towards the costs of feasibility studies, market research, training, outside directors and other key staff and towards industry-wide best-practice projects. Expenditure is planned at £2.4m per annum. Since its introduction in June 1994, around 150 grant awards totalling £6.0m have been made.

4.98 The EC Processing and Marketing Grant Scheme, which re-opened in October 1994, provides 30% capital grants to improve marketing infrastructure by assisting with investments in buildings and plants. In the first full year some 400 applications were received. In the first three quarterly tranches, awards worth £16m were made to 76 companies throughout England and across a wide range of agricultural sectors. These awards have stimulated a capital spend totalling £60m. Following a recommendation from the MAFF Fundamental Expenditure Review, the Scheme is being withdrawn in England after March 1996.

International Relations and Export Promotion

Programme Code: CE2:12

(£'000)	Planned	Estimated Outturn	Plans		
	1995-96	1995-96	1996-97	1997-98	1998-99
MAFF Scheme Costs	98	5,628	5,537	5,490	5,490
of which payments to agencies	21	21	20	20	20
MAFF Administration Costs	979	1,114	1,164	1,182	1,182

4.99 The objectives of this Programme are to further diplomatic relations with non-EC countries and international organisations, to maximise trade and investment opportunities for the UK agro-industry with all countries and to encourage food and drink exports and speciality food producers by supporting Food From Britain (FFB). The latter objective was transferred to this Programme halfway through the year from Programme CE2:11 and accounts for the increase in costs.

4.100 MAFF pursues these objectives by fostering international relations at official level through liaison with foreign Ministries of Agriculture, embassies and posts worldwide, in particular with countries offering new opportunities for export trade (such as the countries of Central and Eastern Europe, the former Soviet Union, China and the Pacific Rim); by maximising trade opportunities for the UK agro-industry by offering specific country information, representation at selected overseas trade fairs, Ministerial led missions to targeted countries and identification of expanding overseas markets; by the direction and funding of Food from Britain and by implementing EC Regulations protecting food names.

4.101 MAFF keeps in close touch with the industries it serves. Integration with the plans of other government departments is achieved through the Whitehall Export Promotion Committee. The aim is to reach the right decisions on priority markets.

4.102 During 1995, MAFF's presence at overseas trade fairs attracted well over 1,300 serious enquiries for UK agro-industrial products. The programme also involved seminars in Thailand and Indonesia and various Ministerial led missions which benefited UK agro-industrial companies. Details are supplied in Annex 12.

4.103 A policy evaluation review of the programme will be carried out in 1996. This will involve a customer survey of its effectiveness.

Food from Britain

4.104 Industry funding in 1994-95 at £4.7m was up by £700,000 on the previous year. MAFF funding was £5.25m. FFB's aim is that industry funding should continue to increase its share of total expenditure towards 50%. FFB's efforts remain principally directed towards promoting UK exports through its network of overseas offices. FFB worked with 1,000 companies in 1994-95 of whom 113 were new exporters. Exports of UK food and drink increased by 10% to £9bn in 1994 and by a further 12% by September 1995.

Plant Varieties and Seeds

Programme Code: CE2:20

(£'000)	Planned	Estimated Outturn	Plans		
	1995-96	1995-96	1996-97	1997-98	1998-99
MAFF Scheme Costs	5,513	37,133	4,985	4,885	4,885
of which payments to agencies	4	4	4	4	4
IB Scheme Costs	3,956	3,973	5,469	5,469	5,469
Total Scheme Cost	**9,469**	**41,106**	**10,454**	**10,354**	**10,354**
EC Receipts	-3,956	-3,973	-5,469	-5,469	-5,469
Non EC Receipts	-3,880	-3,880	-3,839	-4,339	-4,339
MAFF Administration Costs	1,411	1,387	1,373	1,373	1,373
Receipts	-8	-8	-8	-8	-8
Net Administration	1,403	1,379	1,365	1,365	1,365

4.105 The objective of this Programme is to operate, in a cost-effective and technically sound way, three schemes relating to plant varieties and seeds. The three schemes are: (i) plant breeders' rights – a voluntary intellectual property system for new plant varieties (introduced under the Plant Varieties and Seeds Act 1964); (ii) National Listing (a requirement of EC directives regulating the marketing of seed); (iii) seed certification (a further EC requirement laying down minimum standards of purity and germination). The major element of MAFF Scheme Costs is payments to the National Institute of Agricultural Botany (NIAB) and other authorities to carry out the necessary testing and trialling work. Crop inspections and laboratory testing also ensure that seed of the main agricultural and horticultural species is marketed to prescribed quality standards. The large difference between the planned total for 1995-96 and the Estimated Outturn relates to the cost of privatising NIAB. IB scheme costs relate to EC Seed Production Aid.

4.106 Through statutory fees in 1995-96 the UK industry will meet the full cost of Plant Breeders' Rights (£1.0m) and an estimated £0.8m of the £1.4m official cost of running the National List system. In addition, the industry itself carries out approximately 50% of the National Listing value for cultivation and use trials under official licence and at its own expense. MAFF administers official seed certification in England and Wales at a cost in 1995-96 of £1.8m and seeks to recover the costs in full.

4.107 The United Kingdom Plant Varieties and Seeds Advisory Body (UKSAB) was established in 1994 with the agreement of Ministers and has met on three occasions to date. Industry bodies have valued the opportunity to raise matters of common interest relating to the operation of the above statutory systems, as well as EC and other international developments.

4.108 During 1995-96, much effort has gone into directly supporting the setting up of the new Community Plant Variety Rights system, currently based in Brussels, pending decisions on the location of a permanent office for which the UK has proposed Cambridge. In addition, advice and guidance has been provided to the industry on the complex forms and procedures to be followed in making EC applications. Work has also proceeded on the consolidation of the seed marketing directives. Explanatory leaflets were issued to about 200,000 farmers explaining the provisions of the Community system as they affect the use of farm-saved seed. These were well received by the public and the Ministry has encouraged continuing discussions between all parties to try to reach an acceptable approach to the collection of royalties on farm-saved seed.

4.109 The first genetically modified plant varieties (herbicide-tolerant oilseed rapes) entered the National Listing system during 1995-96 and are undergoing statutory tests and trials. With the expected adoption of the Commission proposal amending the EC seeds marketing directives, approval for the marketing of such varieties will in due course be transferred from the DoE to MAFF Plant Varieties and Seeds Division. Arrangements for this transfer will begin during the coming year. This is in line with Government policy of placing responsibility for authorising the marketing of genetically modified products with the appropriate product sector. This transfer of responsibility will be a key task for the coming year.

Biotechnology[1]

Programme Code: CE2:21

(£'000)	Planned	Estimated Outturn	Plans		
	1995-96	1995-96	1996-97	1997-98	1998-99
MAFF Administration Costs	194	148	77	77	77

[1] In next year's report, Programme CE2:21 will be discontinued and the costs attributed to Biotechnology transferred to PP1:01, Food Safety.

4.110 The objective of this Programme is to encourage the safe development and exploitation of biotechnology. Arrangements are in place to ensure that human health and the environment are safeguarded when genetically modified organisms (GMOs) are used. Under the Environmental Protection Act 1990, the consent of the Minister and the Secretary of State for the Environment is required for the deliberate release of a GMO, for example, in an experimental field trial. Marketing a GMO product is subject to EC rules. Up to the end of January 1996, 83 consents had been granted for the release of GMOs; in addition, consideration is currently being given to five products to be marketed in the EC including the first such application to be put forward by the UK authorities (a genetically modified oilseed rape).

4.111 MAFF supports initiatives which contribute to informed debate on biotechnology. February 1995 saw the publication of the report of Professor Michael Banner's committee on the ethical implications of emerging breeding techniques for farm animals. A new booklet in the Foodsense series, *Genetic Modification and Food,* was also published. In January 1995 MAFF co-sponsored with DoE a workshop to explore the environmental and agricultural implications arising from the release of genetically modified herbicide-tolerant crops.

4.112 MAFF continued to participate in discussions on biotechnology in the EC and in international fora. MAFF's aims in this work are to see regulatory burdens reduced in the light of increasing knowledge of experience in the release of GMOs. Within the EC, MAFF supports plans to incorporate controls on the marketing of GMOs within relevant product legislation.

Organic Farming and Agricultural Inputs

Programme Code: CE2:22

(£'000)	Planned	Estimated Outturn	Plans		
	1995-96	1995-96	1996-97	1997-98	1998-99
MAFF Scheme Costs	2,124	656	653	1,134	1,134
of which payments to agencies	205	205	64	44	44
payments to individuals	1,091	200	455	956	956
Territorial Scheme Costs	606	98	573	575	575
Total Scheme Cost	**2,730**	**754**	**1,226**	**1,709**	**1,709**
EC Receipts	-527	-161	-479	-680	-680
Non EC Receipts	-8	-8	-8	-8	-8
MAFF Administration Costs	353	379	394	399	396

Organic Farming

4.113 MAFF aims to sponsor organic farming in three ways; through the operation of standards for organic foods and their production, through research and through a direct incentive scheme. This Programme relates mainly to the last of these. Aid is offered for conversion to organic methods through a scheme opened in August 1994 under the EC agri-environment programme. Fifty per cent of expenditure is reimbursed by the EC. Uptake in 1994-95 and 1995-96 was less than expected.

United Kingdom Register of Organic Food Standards

4.114 MAFF also provides secretarial help for the independent UK Register of Organic Food Standards (UKROFS). UKROFS consists of an independent board appointed by UK Agriculture Ministers and is charged with oversight of standards relating to organic food production in the UK including the application of EC rules. As of October 1995, UKROFS has had NDPB status. A key task for 1996-97 will be to publish revised UKROFS standards and an operating manual.

4.115 This programme also co-ordinates MAFF's interests in energy conservation in agriculture and MAFF's interests in horse issues, including negotiations on and implementation of EC rules on trade and competitive events.

Agricultural Training, Labour And Finance

Programme Code : CE2:23

(£'000)	Planned	Estimated Outturn	Plans		
	1995-96	1995-96	1996-97	1997-98	1998-99
MAFF Scheme Costs	3,013	3,557	3,028	2,778	2,528
of which payments to agencies	182	120	172	172	172
Non EC Receipts	-50	-246	-230	-230	-230
MAFF Administration Costs	804	859	781	799	788

4.116 The objectives of this Programme are to encourage the creation of a well-trained workforce within the agriculture and commercial horticulture industries and to support the operation, in England and Wales, of the statutory minimum wage and Agricultural Wages Board arrangements.

4.117 Scheme Costs mainly comprise contract payments to ATB-Landbase Limited which provides Industry Training Organisation services for the agricultural industry and resources to support the local training infrastructure. Payments were £2.6m in 1995-96. Future arrangements are subject to policy review. Other Scheme Costs include a contribution of £36,000 per

annum towards the educational activities of the National Federation of Young Farmers' Clubs and rental paid on properties previously owned by the former Agricultural Training Board (about £200,000 per annum). The number of National Vocational Qualifications achieved in agriculture and commercial horticulture at levels 1-3 was approximately 2,200.

Agricultural Wages Board

4.118 The Agricultural Wages Board (AWB) was set up in 1948 as an independent body with responsibility for determining minimum pay rates and other conditions for agricultural workers in England and Wales. MAFF provides secretarial help to AWB and meets its expenses. It also enforces the Wages Orders made by AWB through its regional field staff. In 1994, just over 800 inspections were carried out. Formal complaints about underpayment of wages are followed up within 10 working days of receipt. In 1994-95, almost 90 complaints were dealt with, resulting in six prosecutions, all of them successful. In 87% of the cases investigated, the parties concerned were informed whether or not a prosecution would take place within four months of the initial complaint. These arrangements are examined regularly. In 1995 it was decided that regional field staff would no longer make spot-checks and greater emphasis would be placed on following up complaints. In view of the Government's concerns about the potential impact of statutory wages fixing on the functioning labour markets, the future existence of AWB is being kept under review.

Agricultural Dwelling House Advisory Committees

4.119 Under the Rent (Agriculture) Act 1976, MAFF establishes Agricultural Dwelling House Advisory Committees who advise local housing authorities on the agricultural needs in cases where applications are made by owners to re-house agricultural workers in order to make way for other employees needing tied housing. Regional staff support the work of these Committees, of which nearly 200 meetings were held in 1994-95 in England and Wales. These arrangements are currently being reviewed to ensure they are working effectively.

Finance

4.120 MAFF ensures that the needs of the agriculture, food and fishing industries are taken into account in the formulation of tax and related policies and their implementation. Work continues regarding Government guarantees provided for loans taken out prior to 1989. These loans were supplied to those qualifying agricultural businesses which were unable to secure bank loans through the mechanism of the Agricultural Credit Corporation, but which qualified for guarantees. No new loans have been guaranteed since 1989; the value of these outstanding guarantees is estimated at £4.15m per annum from 1995-96 onwards.

Conservation of Sea Fish Stocks

Programme Code: CE2:30

(£'000)	Planned	Estimated Outturn	Plans		
	1995-96	1995-96	1996-97	1997-98	1998-99
MAFF Scheme Costs	190	207	202	202	202
of which payments to agencies	2	2	2	2	2
MAFF Administration Costs	5,849	5,814	6,016	5,947	5,947
Receipts	-11	-28	-76	-94	-117
Net Administration	5,838	5,786	5,940	5,853	5,830

4.121 The objectives of this Programme are to sustain UK fishing opportunities, principally through the Common Fisheries Policy (CFP) and to ensure that environmental considerations are properly taken into account in fisheries policy decisions.

4.122 The UK subscription to the International Council for the Exploration of the Sea (ICES) accounts for the majority of the scheme costs under the Programme. ICES prepares scientific advice on the levels of fishing that stocks can sustain; and each year, within the CFP, the Council of Ministers sets Total Allowable Catches (TACs) in the light of the CFP advice. The TACs are allocated as quotas to Member States using fixed keys based on historic fishing activity. The CFP also aims to conserve stocks by making rules on fishing gear and methods.

4.123 MAFF leads for the UK in CFP negotiations. It is also responsible for overseeing the 12 Sea Fisheries Committees (SFCs) which regulate inshore fisheries in England and Wales.

4.124 In 1995-96 the Ministry's Directorate of Fisheries Research, which accounts for most of the Programme's administration costs, monitored the level of 30 species and contributed detailed advice on their size to ICES. The TACs set by the Council for 1996 reflected this advice and produced total UK quotas of 512,000 tonnes, expressed as cod equivalent. This compares with 544,000 tonnes in 1993, 573,000 tonnes in 1994 and 547,000 tonnes in 1995, reflecting the need to conserve stocks. A measure of the state of the stocks is the proportion fished by the UK and other Community fleets which is considered to be above the minimum biologically acceptable level: 59% in 1992, 63% in 1993 and 42% in 1994. However, the figures are not directly comparable from year to year because the stocks included by ICES vary.

4.125 Negotiations were completed for the integration of Spain and Portugal into the CFP from 1 January 1996 including rules to control both access and effort in Western waters. The Fourth North Sea Conference agreed on the need to achieve further integration of fisheries and environmental policies.

4.126 The United Nations Conference on Straddling and Highly Migratory Fish Stocks adopted an agreement which should result in more effective international management of fisheries and reduce international disputes. The UK played a full role in all these negotiations and its objectives were achieved in all the settlements. There was widespread public and parliamentary interest in the debate how best to manage and conserve fish stocks internationally, including the need for changes to the CFP.

4.127 On the domestic front, a review of the bass fishery concluded that MAFF's conservation measures had increased stocks. Proposals were issued on measures to conserve scallops around our shores and wide ranging provisions considered with the industry to conserve other shellfish. A new Fisheries Conservation Group was launched to bring together the industry, scientists and administrators to develop ideas for further measures to help conserve stocks. A series of meetings was also initiated to achieve greater consensus between the fishing industry and fisheries scientists on the nature of the problem in managing fish stocks and the action necessary to conserve them.

4.128 For the future, the Ministry will work to ensure that CFP TACs continue to reflect UK objectives and to achieve further progress in integrating fisheries and environment policies, including improvements in the CFP's technical conservation rules. Ideas for changes to the CFP flowing from the CFP Review Group will also be developed as appropriate. A feasibility study to look at PFI options for commissioning a new fisheries research vessel is being considered.

Fishery Structures

Programme Code: CE2:31

(£'000)	Planned	Estimated Outturn	Plans		
	1995-96	1995-96	1996-97	1997-98	1998-99
MAFF Scheme Costs	25,838	27,100	20,986	20,596	3,596
of which payments to individuals	13,013	12,920	13,400	12,600	600
EC Receipts	-8,940	-6,460	-6,750	-6,600	-600
Non EC Receipts	-730	-564	-267	-267	-267
MAFF Administration Costs	4,138	4,120	754	680	680
Supplementary Credit Approvals	872	217	422	422	422

From 1996-97, enforcement and management are covered in CE2:34 Fishery Management and Enforcement.

4.129 The objectives of this programme are to promote a safe and efficient fishing industry whose capacity and effort are in line with what the stocks will bear. MAFF is also the sponsor Department for the NDPB, the Sea Fish Industry Authority (SFIA).

4.130 Under the EC's Multi-Annual Guidance Programme (MAGP) all Member States have been set targets for reducing their fishing fleets. In the UK this was to have been achieved primarily through a combination of capacity withdrawal (decommissioning) and restrictions on time spent at sea. Although a legal challenge to this second element has now been dismissed by the European Court of Justice, Ministers have decided that it is not at present appropriate to proceed on the basis of the existing legislation.

4.131 Action has therefore focussed on the decommissioning programme, under which some 7% of the fleet (in tonnage terms) has so far been removed in three successive annual tendering rounds (4755 Gross Registered Tonnes (GRT) in 1993, 5,270 GRT in 1994 and, 5,326 GRT in 1995) at a total cost of some £28m. Two further rounds are currently planned, for which additional funding of £12m a year, announced in January 1995, has now been confirmed. However, a new set of MAGP targets is due to be developed during 1996, covering the period from 1997-99. The UK will play a full and positive role in these negotiations.

4.132 Aid to the industry is also provided under a number of grant schemes. In 1995 fishing vessel safety grants were concentrated on equipment necessary to obtain a Department of Transport safety certificate. Expenditure on such grants is expected to be £2.5m in 1995-96. Community grants for vessel safety, marketing, processing and port facilities, together with the PESCA Community Initiative for restructuring the fisheries sector for which additional annual provision of £0.5m is being made available, will be launched early in 1996. In 1995-96 £1.4m of aid is available to develop fishing harbours under MAFF's harbour grant scheme.

4.133 The SFIA continues to carry out a wide range of activities in the interests of the sea fish industry. Full details of these are included in its Annual Report which was published in September 1995. Mr Barry Skipper resigned as Chairman of the Authority with effect from end October 1995 and Ministers expect to appoint a successor shortly. The SFIA submitted proposals for an increase in the levy on fish sales in order to finance its activities. These proposals were confirmed by Ministers in February 1996.

Fish Farming and Shellfish Production

Programme Code: CE2:32

(£'000)	Planned	Estimated Outturn	Plans		
	1995-96	1995-96	1996-97	1997-98	1998-99
MAFF Scheme Costs	263	45	25	25	25
of which payments to agencies	27	38	20	20	20
payments to individuals	162	–	–	–	–
EC Receipts	-162	–	–	–	–
Non EC Receipts	-4	-7	-4	-4	-4
MAFF Administration Costs	2,451	2,466	2,420	2,483	2,483
Receipts	-137	-277	-137	-137	-137
Net Administration	2,314	2,189	2,283	2,346	2,346

4.134 The objectives of this Programme are to encourage the development of efficient fish farming and shellfish cultivation, to conserve shellfisheries and to fulfil responsibilities as joint competent authority with DH for EC fish and shellfish hygiene directives. The fall in Scheme Costs in 1995-96 is due to the closure of the Aquaculture grants programme.

4.135 A key element in this Programme involves the monitoring of all commercial shellfish beds producing live bivalve molluscs in England and Wales for microbial contamination. Shellfish harvesting areas are then classified according to EC criteria; the 1995 classification programme was successfully completed. Other projects monitor shellfish and seawater for the presence of biotoxins (paralytic and diarrhetic shellfish poison) and chemical contaminants.

4.136 The Programme also supports the fish farming and shellfish industry through the provision of advice and technical services. To improve the accessibility of advice new and updated advisory leaflets are being issued; a regular bulletin, *Trout News,* has continued to be sent to all trout farmers.

4.137 Shellfisheries may be conserved through Orders providing regulatory powers to local Sea Fisheries Committees or exclusive fisheries rights to individuals. Four such Orders are expected to be made in 1995-96.

4.138 This work is underpinned by an extensive programme of research. To enhance this and to improve technology transfer in the fish and shellfish farming sectors a LINK programme for aquaculture has been developed and launched.

Fish Marketing

Programme Code: CE2:33

(£'000)	Planned	Estimated Outturn	Plans		
	1995-96	1995-96	1996-97	1997-98	1998-99
MAFF Scheme Costs	2,059	1,661	2,152	2,052	2,052
of which payments to individuals	2,059	1,661	2,152	2,052	2,052
IB Scheme Costs	759	1,743	1,235	1,235	1,235
Total Scheme Cost	**2,818**	**3,404**	**3,387**	**3,287**	**3,287**
EC Receipts	-2,410	-3,102	-2,879	-2,879	-2,879
MAFF Administration Costs	460	458	467	483	483
Receipts	-50	-50	-52	-52	-52
Net Administration	410	408	415	431	431

4.139 The policy objectives are to promote the efficient handling, processing and marketing of fish having regard to the needs of catchers, processors and consumers and to implement EC measures on the improvement of the marketing of fishery and aquaculture products as set out in EC Regulation 3699/93.

4.140 The CFP allows Producers' Organisations (POs) to operate market support measures, including the withdrawal of members' fish if it fails to achieve a certain minimum price. Subject to certain conditions, IB provide partial financial compensation for withdrawn fish, within a ceiling. Private storage aids, under which surplus fish can be stored for subsequent release onto the market are rarely used in the UK.

4.141 Payment of processing and marketing grants under EC Regulations 4042/89 and 3699/93 are covered under this Programme; these payments are budgeted at approximately £2m per annum from 1994-95 to 1997-98, of which approximately 80% is reimbursed by the EC. These grants, towards capital investment by companies processing fisheries and aquaculture products, aim to increase production and improve standardisation and quality by introducing modern production methods.

4.142 The Sea Fish Industry Authority published a report on marketing which made a number of recommendations to Government and industry. The Government made its formal response in January 1996.

4.143 During the year, revised EC fish market support prices were agreed along with renewed concessionary import arrangements. The latter help to ensure supply of competitively priced

raw material to EC processors. A satisfactory agreement was concluded to compensate Iceland and Norway for loss of markets when the new member states joined the EC.

4.144 EC fish grading standards will be reviewed in 1996. MAFF's aim will be to ensure that the standards reflect commercial realities consistent with the avoidance of additional burdens on businesses and the need to prevent fraud.

Fishery Management and Enforcement

Programme Code: CE2:34

(£'000)	Planned	Estimated Outturn	Plans		
	1995-96	1995-96	1996-97	1997-98	1998-99
MAFF Scheme Costs	–	–	10,249	8,200	8,097
EC Receipts	–	–	-612	-612	-612
Non EC Receipts	–	–	-463	-463	-463
MAFF Administration Costs	–	–	3,205	3,277	3,277

Prior to 1996-97, enforcement and management formed part of Programme CE2:31.

4.145 The objectives of this Programme are the equitable management and full utilisation of the UK's quotas and effective enforcement.

4.146 All UK vessels fishing for profit must be licensed by the Fisheries Departments. To help conserve stocks and contain the size of the fleet, only replacement licences are issued. Quotas are allocated annually between producer organisations and other groups of fishermen in proportion to their catches over the previous two or three years. National and Community regulations are enforced by the Sea Fisheries Inspectorate assisted by the Royal Navy's Fishery Protection Squadron and aerial surveillance. The Inspectorate also collects essential information on fishing activity. In 1995, the number of quotas within +/- 5% of full utilisation was 19 out of 68. The number of quotas overfished by more than 5% was four. The number of infringements detected in 1995 was 297. To date, the number of successful prosecutions related to these cases was 42. Next year's report will provide the total number of successful prosecutions relating to these infringements.

4.147 New Community measures were agreed for monitoring of fishing activity in Western Waters from 1 January 1996. The additional burdens falling on UK fishermen were kept to a minimum consistent with effective enforcement. A simplified licensing system was introduced on 1 January 1995. The Royal Navy maintained a continuous presence in the 1995 high seas tuna fishery enabling UK vessels to fish without harassment. Trials were completed to test satellite monitoring of fishing vessels.

4.148 Given the severe pressure on fish stocks, fisheries management and enforcement continue to be important. Key tasks for 1996 will be to implement the Western Waters agreement, to negotiate the role of satellite technology in monitoring fishing activity in Community waters, to determine future surface and aerial surveillance requirements in the light of the conclusions reached on satellite monitoring and to review with the fishing industry the future operation of the quota management arrangements.

Rural Economy

Programme Code: CE2:40

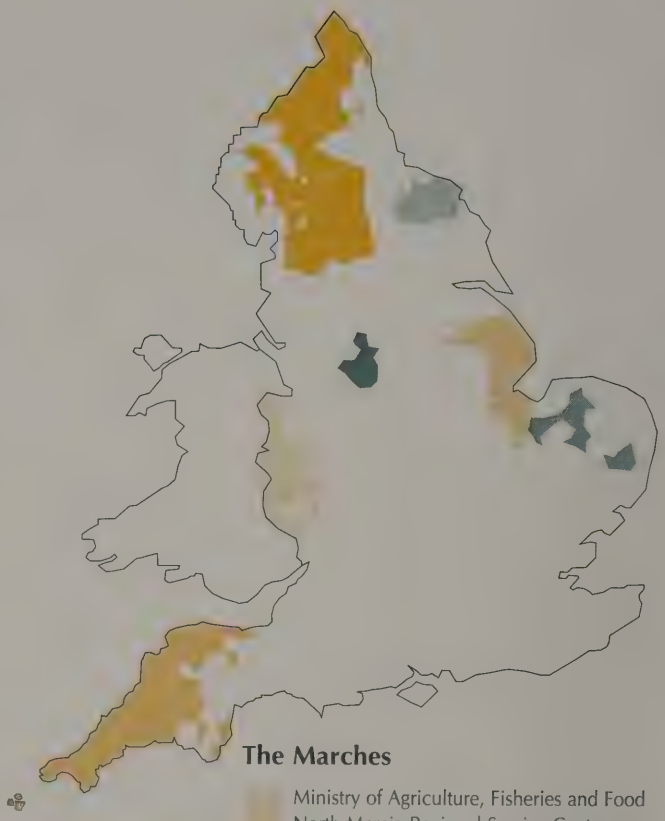
(£'000)		Planned	Estimated Outturn	Plans		
		1995-96	1995-96	1996-97	1997-98	1998-99
MAFF Scheme Costs		9,882	9,963	17,965	17,965	17,965
of which	payments to agencies	728	739	741	741	741
	payments to individuals	9,000	9,000	17,000	17,000	17,000
Territorial Scheme Costs		3,800	1,665	4,400	4,906	4,906
Total Scheme Cost		**13,682**	**11,628**	**22,365**	**22,871**	**22,871**
EC Receipts*		-4,650	-4,650	-8,650	-8,650	-8,650
MAFF Administration Costs		319	807	872	907	887

* In order to retain consistency with MAFF's Supply Estimates, EC receipts in respect of other Agricultural Departments Scheme Costs are not included. These can be found in the respective Supply Estimates and Departmental Reports.

4.149 The object of this Programme is to stimulate additional economic activity, particularly on farms, in rural areas. Its main component consists of the rural development programmes for areas designated under Objective 5 of the EC Structural Funds, of which there are six in England. Expenditure on these programmes is partly reimbursed by the Guidance section of the EAGGF.

4.150 Total EC funding for the Objective 5b Programmes in England for the period 1994-99 is approximately £376m. Of this £56m (matched by an equivalent amount of national funding) will be spent on agriculture related projects. Private sector investment of over £43m will have to be found for these projects over this period. To date over £6m in EC and government funds has been committed.

4.151 The Programmes provide for support for business advice and consultancy, farm diversification, marketing (of regional produce, for example), tourism, environmental management, group activities (such as machinery rings) and R&D. Unusually, assistance is provided to applicants



Objective 5b Areas

Northern Uplands

Ministry of Agriculture, Fisheries and Food
Northern Regional Service Centre
Eden Bridge House
Lowther Street, Carlisle
Cumbria CA3 8DX
Tel: 01228 23400
Fax: 01228 23400 Ext 468

Ministry of Agriculture, Fisheries and Food
Government Buildings
Crosby Road, Northallerton
North Yorkshire DL6 1AD
Tel: 01609 773751
Fax: 01609 780179

East Anglia

Ministry of Agriculture, Fisheries and Food
Anglia Regional Service Centre
Block B, Government Buildings
Brooklands Avenue, Cambridge CB2 2DR
Tel: 01223 462727
Fax: 01223 455652

Lincolnshire

Ministry of Agriculture, Fisheries and Food
East Midlands Regional Service Centre
Block 7, Government Buildings
Chalfont Drive, Nottingham NG8 3SN
Tel: 0115 929 1191
Fax: 0115 929 4886

Midlands Uplands

Ministry of Agriculture, Fisheries and Food
East Midlands Regional Service Centre
Block 7, Government Buildings
Chalfont Drive, Nottingham NG8 3SN
Tel: 0115 929 1191
Fax: 0115 929 4886

The Marches

Ministry of Agriculture, Fisheries and Food
North Mercia Regional Service Centre
Berkely Towers
Nantwich Road, Crewe CW2 6PT
Tel: 01270 69211
Fax: 01270 669494

The South West

Ministry of Agriculture, Fisheries and Food
South West Regional Service Centre
Government Buildings
Alphington Road, Exeter, Devon EX2 8NQ
Tel: 01392 77951
Fax: 01392 410936

on the strength of their own proposals for worthwhile projects which will bring about sustainable economic growth.

4.152 Linked to the Objective 5b is the LEADER II (Liaisons Entre Actions de Développement de l'Economie Rurale) Community Initiative. This initiative operates in and adjacent to Objective 1 and 5b areas and is designed to assist the development of small scale, innovative measures of benefit to local areas.

4.153 The Programme also supports other rural socio-economic initiatives. These include Farmlink (which aim to increase the understanding of agriculture by establishing links between farms and schools), Farm Attractions Groups (which aim to encourage farmers to develop their farms as tourist attractions) and the Rural Stress Working Group, which aims to alleviate stress in rural areas.

4.154 A White Paper on the future of the English countryside, *Rural England: A Nation Committed to a Living Countryside*, prepared jointly by MAFF and DoE, was published on 17 October 1995. The White Paper describes how sustainable development can be put into practice in rural areas building on current strengths of the countryside and those who live there. A wide number of initiatives were announced in the White Paper; these will be taken forward and a progress report will be published in 1996. To the extent that these measures do not fall to other Ministry programmes they will fall to Programme CE2:40.

Land Use and Tenure

Programme Code: CE2:41

(£'000)	Planned	Estimated Outturn	Plans		
	1995-96	1995-96	1996-97	1997-98	1998-99
MAFF Scheme Costs	3,638	3,496	3,195	3,195	3,195
of which payments to agencies	3,602	3,410	3,134	3,134	3,134
MAFF Administration Costs	1,939	1,767	1,621	1,650	1,646
Receipts	-3	-3	-3	-3	-3
Net Administration	1,936	1,764	1,618	1,653	1,643

4.155 The main objectives of this Programme are to ensure that the loss of the best and most versatile agricultural land is kept to a minimum; to ensure that the planning system takes account of agricultural interests, including diversification; and to provide a statutory framework governing the relationship between agricultural landlords and tenants. In carrying out this work, MAFF draws on technical and professional support from its own Land Use Planning Unit and from ADAS, the cost of both are shown in the Scheme costs above.

Planning

4.156 MAFF provides advice to local planning authorities and others on the interaction of planning legislation and procedures with agriculture in England, primarily with a view to protecting the best and most versatile agricultural land. Effort is focused on responding to consultations on local development plans and other local strategic plans and planning applications of significance to agriculture. MAFF also seeks to ensure that policies to assist farm diversification are included in development plans. MAFF dealt with some 3,744 planning-related consultations in 1994-95. MAFF will continue to work closely with DoE to ensure that agricultural interests are reflected in planning policy, including the initiatives announced in the White Paper on *Rural England*.

Tenancy Legislation

4.157 A Bill to reform the law for agricultural tenancies completed its Parliamentary passage in May 1995. The Agricultural Tenancies Act 1995 came into force on 1 September 1995. The Act provides a simplified legal framework to give parties more freedom to agree tenancy arrangements which reflect their own needs. The Act is intended to encourage landlords to let more agricultural land in order to provide more flexible land tenure options for farmers. Against a background where the proportion of agricultural land which is rented fell from 90% in 1910 to 35% in 1990, the objective is to stabilise and reverse this trend and liberate the market as a result.

4.158 The main provisions of the new legislation (which does not apply to agricultural tenancies created before 1 September 1995) are:

- Creation of farm business tenancies which allow for greater diversification around core farming businesses. Parties are free to agree themselves on a suitable length of term
- The right to compensation for improvements made by a tenant with landlord's consent and the right to arbitration over the amount of compensation
- Freedom for parties to settle their own arrangements for rent. Where rent reviews take place there is the right to arbitration, in which case rent will be fixed at open market levels
- A requirement for at least a year's notice to be given in writing when a tenancy is about to run out
- The right for either party to have disputes resolved by arbitration or other independent disputes procedures.

MAFF has produced a free guide to the new Act and made it widely available to the agriculture industry.

Royal Botanic Gardens, Kew

Programme Code: CE2:42

(£'000)	Planned	Estimated Outturn	Plans		
	1995-96	1995-96	1996-97	1997-98	1998-99
MAFF Scheme Costs	15,581	15,581	18,936	21,949	17,149
MAFF Administration Costs	36	40	40	40	40
Receipts	-9 *	–	–	–	–
Net Administration Costs	27	40	40	40	40

* These receipts have now been attributed across all the Programmes to which the services provided relate.

4.159 The objective of this Programme is to support the Royal Botanic Gardens, Kew (RBG), an executive NDPB sponsored by MAFF and operating under a Board of Trustees, established by the National Heritage Act 1983. RBG's mission statement is 'To enable better management of the Earth's environment by increasing knowledge and understanding of the plant kingdom – the basis of life on earth'. RBG has an unsurpassed international reputation for its living and preserved plant collections and the quality of its scientific research – it publishes more than 5,000 pages of scientific text each year. Its gardens at Kew and Wakehurst Place are enjoyed by well over a million visitors a year.

4.160 MAFF Scheme Costs represent Government grant currently covering less than 80% of RBG's expenditure (the remainder is derived from gate receipts, sales, services and donations).

4.161 The increase on 1995-96 grant provision is to provide for some necessary infrastructural improvements and purchase of certain specialist capital equipment. Non-grant income now exceeds £6m per annum reflecting RBG's success in obtaining private funding and other external support for its activities including, for example, funding for the Evolution House Exhibition which opened in June 1995. RBG continues to explore wherever possible the scope for private funding and any further ventures within the context of the Private Finance Initiative as it has done so, for instance, with its catering arrangements.

4.162 In December 1995, it was announced that RBG had been awarded some £21m by the Millenium Commission towards the funding of a major seed bank project at Wakehurst Place.

4.163 RBG is currently subject to Quinquennial Review by MAFF and a Scientific Visiting Group is planned for early 1996.

Science Policy

Programme Code: CE2:43

(£'000)	Planned	Estimated Outturn	Plans		
	1995-96	1995-96	1996-97	1997-98	1998-99
MAFF Scheme Costs	5,356	5,303	3,204	2,536	1,787
MAFF Administration Costs	1,381	1,646	1,682	1,600	1,600

4.164 The principal objectives of this Programme are: to provide scientific advice to Ministers and policy groups; to manage the commissioning of R&D to achieve value for money; to develop MAFF's research strategy and ensure the balance, scope and quality of the programme and to ensure uptake of research results by policy-makers, industry and other end users. MAFF also

promotes links with international research, in particular it negotiates on the EC Framework Programme to promote a European programme complementary to that undertaken by MAFF.

4.165 At any one time, MAFF is managing 1,800 research projects. In 1994-95, 375 projects came to an end. Of these, 94% – amounting to 93% of total expenditure – achieved their intended goals both on time and at expected cost.

Research

4.166 Most R&D is funded to provide support for particular policies and details are given in Chapter 7. This programme provides funding for more strategic research; for research, such as in soil science, which cuts across programmes and for technology transfer, particularly through LINK, EUREKA and the Teaching Companies Scheme. The programme also funds a number of important collections of plant genetic resources including the National Fruit Collection at Brogdale and the Vegetable Gene Bank at Horticulture Research International at Wellesbourne.

Prior Options Reviews of Research Establishments

4.167 The Government announced in September 1995 that all public sector research establishments would be subject to Prior Options Reviews by the end of 1996. These reviews look at whether work is needed and whether organisations can be privatised or rationalised. The MAFF establishments being reviewed are the Central Science Laboratory, the Veterinary Laboratories Agency, Horticulture Research International, the Directorate of Fisheries Research and ADAS R&D.

Postgraduate Studentship Scheme

4.168 At an annual cost of between £1.3m and £1.7m, MAFF continues to support an intake of some 50 to 80 postgraduate studentships each year. This Scheme is intended to fund research helpful to the Department's overall Aims and to further the education of future agriculturalists and food scientists.

Horticulture Research International (HRI)

4.169 HRI was established as a NDPB in 1990 to provide the UK horticulture industry, Government and other customers with excellent and cost-effective research, development and technology transfer. Scheme expenditure of £1m in 1996-97 and £0.5m in 1997-98 relates to staff transfers and redundancy costs arising from a restructuring of the body. The quality of HRI's science was broadly endorsed by a Scientific Visiting Group in early 1995. Along with other public sector research establishments, HRI is currently subject to a Prior Options Review.

By taking action against animal and plant diseases and pests

Prevention and Control of Animal Diseases

Programme Code: CE3:01

(£'000)	Planned	Estimated Outturn	Plans		
	1995-96	1995-96	1996-97	1997-98	1998-99
MAFF Scheme Costs	9,114	9,260	14,013	14,012	14,017
of which payments to agencies	3,827	4,358	8,001	7,995	8,000
payments to farmers	175	58	175	175	175
Non EC Receipts	-3	-1	-3	-3	-3
MAFF Administration Costs	15,743	14,974	12,501	12,941	12,939
Receipts	-288	-240	-316	-246	-246
Net Administration	15,455	14,734	12,185	12,695	12,693

4.170 The objectives of this Programme are to prevent the introduction of exotic animal diseases and the occurrence of notifiable disease, to control and limit the spread of any outbreak and to facilitate the export of live animals and genetic material. The Programme covers Great Britain, but excludes action taken on bovine spongiform encephalopathy (PP1:04), brucellosis and tuberculosis (PP2:01) and salmonella and other zoonoses (PP2:02). Measures in this area are based on comprehensive EC legislation and Orders made under the Animal Health Act 1981. MAFF Scheme Costs represent payments to VLA, ADAS, Temporary and Local Veterinary Inspectors and international organisations.

Table 23: Number of outbreaks of notifiable animal diseases in Great Britain

	1990	1991	1992	1993	1994	1995
Rabies	0	0	0	0	0	0
Foot and Mouth Disease	0	0	0	0	0	0
Enzootic Bovine Leukosis	0	2	1	25	9	6
Paramyxovirus in pigeons	324	96	157	125	36	18
Warble Fly	1	0	0	39	3	0
Avian Influenza	0	0	1	0	0	0
Newcastle Disease	0	0	0	0	0	0
Anthrax	5	2	2	2	3	1
Aujeszky's Disease	0	0	0	0	0	0
Scrapie	–	–	–	284	167	113
Viral Haemorrhagic Disease in rabbits	0	0	2	10	200	202
Equine Viral Arteritis	–	–	–	–	–	0

4.171 Except for one outbreak of anthrax, there were no outbreaks of major notifiable disease in 1995. However outbreaks of viral haemorrhagic disease, first reported in domestic rabbits in 1992, continued to rise. Commercial vaccines, however, are now available to protect animals against infection.

4.172 Great Britain's high animal health status continues to be maintained by strict control on imports of live animals and genetic material, consistent with Community rules.

4.173 In 1995 there were few serious problems relating to inaccurate health certification accompanying imported animals.

4.174 Following outbreaks of disease in other countries, such as classical swine fever in Germany, African swine fever in Sardinia, quick and effective implementation of Single Market safeguard measures has prevented their spread elsewhere in the Community. Prompt action at Community level has prevented the introduction of a number of equine diseases which have been confirmed in third countries.

4.175 The Equine Viral Arteritis (EVA) Order 1995 came into force on 1 August 1995, making this a notifiable disease. There have been no confirmed cases of EVA since the Order came into force.

4.176 New requirements for identifying cattle and pigs were introduced at the beginning of 1995 to assist in the tracing of animals in a disease outbreak and, in the case of cattle, to

check on the validity of EC subsidy payments. Similar new identification requirements were introduced for sheep and goats in early 1996.

4.177 In June 1995 the Government replied to the Agriculture Select Committee's report on the registration and identification of farm livestock. The Government welcomed the Committee's report. The Government said that much consideration would be given to the recommendations for improvement and that the report would inform the UK's contribution to the European Community's forthcoming review of the Directive governing the identity of livestock. However, as this review might introduce new requirements, it would be unwise and costly to introduce new legislation which might need to be rewritten later.

Plant Health

Programme Code: CE3:02

(£'000)	Planned	Estimated Outturn	Plans		
	1995-96	1995-96	1996-97	1997-98	1998-99
MAFF Scheme Costs	3,305	3,260	3,063	3,063	3,063
of which payments to agencies	3,219	2,996	2,977	2,977	2,977
MAFF Administration Costs	4,488	4,425	4,272	4,386	4,379
Receipts	-699	-574	-649	-649	-649
Net Administration	3,789	3,851	3,623	3,737	3,730

4.178 The objective of this Programme is to safeguard and improve the health and quality of commercially produced plants and plant products. MAFF applies statutory controls in England and Wales to implement the EC plant health regime including action against quarantine pests and diseases, registration of producers and monitoring of plant material in trade. It also provides non-statutory services including certification of exports to third countries. Charges are made to industry for some of the Schemes. CSL provides scientific services and other agency services are provided by ADAS.

4.179 Three sets of Regulations, based on EC directives, setting standards for the marketing of ornamental, fruit and vegetable plant material came into effect on 1 December 1995. They were made following consultation with industry and in line with MAFF's general principle are designed to impose the least possible burden on those concerned.

4.180 Revised controls on rhizomania, involving significant deregulation, were successfully implemented in 1995 and outbreaks of the disease in sugar beet remain confined to small areas in East Anglia. Tighter controls on tobacco whitefly have led to a major drop in

outbreaks, with those reported affecting poinsettia. Continued findings of South American leaf miner, which affects a wide range of protected cut flower and vegetable crops, mainly represent introductions from other countries where this pest has spread rapidly. In co-operation with the Forestry Commission, an outbreak of gypsy moth found in the trees and shrubs of private gardens in Woodford, Essex was dealt with successfully. Action was taken to counter the risk of introduction of potato brown rot from other Member States where many outbreaks of this disease were found in 1995.

Table 24: Number of outbreaks of key pests and diseases in England and Wales

	1990	1991	1992	1993	1994	1995
Rhizomania	3	0	13	7	15	11
Tobacco Whitefly	22	64	43	36	58	5
South American leaf miner	95	109	43	30	54	75
Colorado beetle	0	0	0	0	0	0
Potato brown rot	0	0	1	0	0	0

4.181 Where necessary, MAFF Plant Health and Seeds Inspectors in England and Wales can issue statutory notices requiring specific action by the person in charge of a plant product; this action can include destruction, re-export or treatment.

Table 25: Issuance of statutory notices by Plant Health and Seeds Inspectorate relating to outbreaks

	1991	1992	1993	1994	1995
Number	725*	781	728	1,023	2,257

* This figure is adjusted to place the series on a consistent basis. A deregulatory measure in 1992 reduced the number of notices issued for each outbreak of South American leaf miner, allowing the grower to select the method of treatment. The unadjusted figure is 885.

4.182 The increase in the number of notices issued in 1995 included 850 notices in relation to consignments of Dutch seed potatoes held awaiting results of brown rot tests.

Livestock Protection

Programme Code: CE3:03

(£'000)	Planned	Estimated Outturn	Plans		
	1995-96	1995-96	1996-97	1997-98	1998-99
MAFF Scheme Costs	3,350	2,014	5,237	5,262	5,262
of which payments to agencies	3,344	2,014	5,237	5,262	5,262
Non EC Receipts	-1,153	-1,153	-1,153	-1,153	-1,153
MAFF Administration Costs	6,672	4,771	2,840	2,919	2,919
Receipts	-3,354	-2,082	-1,165	-1,165	-1,165
Net Administration	3,318	2,689	1,675	1,754	1,754

4.183 This Programme covers those areas of MAFF's activity in support of animal health for which charges are made to the industry.

4.184 Veterinary diagnostic laboratory services have continued to be offered by VI Centres serving private veterinary surgeons. As a result of the management review of the Animal Health and Veterinary Group, the Veterinary Investigation Service was merged with the CVL to form the Veterinary Laboratories Agency (VLA) on 1 October 1995.

4.185 In May 1995, the Minister announced that MAFF would withdraw from operating animal health schemes for cattle and for sheep and goats. In November 1995, independent Selection Panels set up by the Health Scheme Advisory Groups which represent the industry, met to decide which organisations should receive industry approval for their proposed health schemes. The aim is to hand over full responsibility for the schemes, other than the Enzootic Bovine Leukosis and scrapie elements, by early 1997. This will lead to a reduction in planned receipts.

4.186 Ministers agreed that the Pig, Poultry and Deer Health Schemes should continue to be operated by MAFF. Membership of the schemes at 30 September 1995 stood at 723, 388 and 23 respectively compared with 649, 392 and 28 a year previously.

4.187 There is regulatory control of artificial insemination and embryo transfer in farm livestock in Great Britain in order to protect animal health and welfare. During 1995 the Regulations relating to the artificial insemination of cattle were amended to allow for trade in fresh semen, whilst those relating to the transfer of embryos were revoked and remade with amendments in order to clarify the existing requirements and implement new EC rules controlling the production of embryos in vitro.

4.188 Deregulation of artificial breeding controls for cattle and pigs to reduce the burden of existing controls, while continuing to meet policy and EC objectives, is expected to be completed in 1996. As a result breeders will have greater flexibility in arranging the testing required prior to the use of animals for semen collection.

Summary Economic Performance Indicators for the Agriculture, Fishing and Food Industries

Output Income and Productivity of Agriculture (1990=100)

	Average 1984-86	1990	1991	1992	1993	1994	1995
Gross Output *at constant (1990) prices*	99.6	100.0	101.1	102.7	98.6	99.9	100.0
Gross Product *Gross Output less Gross Input at constant (1990) prices*	96.9	100.0	104.2	108.8	99.0	98.7	99.1
Incomes from Agriculture *Eurostat Income Indicator 3 (1989-91=100)*	108.4	98.9	98.0	118.7	142.7	149.3	184.2
Productivity *Gross output per unit of input (inc. fixed capital and labour)*	96.1	100.0	102.8	105.4	101.1	100.6	100.8

The volume of the gross output of the UK agriculture industry increased slightly between 1994 and 1995. Combined with a small reduction in the volume of its inputs, this gave a 0.4% rise in the volume of gross product. The total income from agriculture of the groups with an entrepreneurial interest in the industry (farmers, partners and directors, their spouses and family workers) rose by 23% as indicated by the Eurostat Income Indicator 3: This index reflects movements in incomes in real terms and also allows for changes in the size of the recipient group. UK agricultural productivity, measured as gross output per unit of input, showed a small rise in 1995.

Output Employment and Productivity in Food and Drink Manufacturing (1990=100)

	Average 1984-86	1990	1991	1992	1993	1994
Output *(Index of Production)*	93.9	100.0	98.5	99.5	100.0	101.8
Employment *(Full-time equivalents)*	107.4	100.0	100.9	95.8	93.3	90.8
Labour Productivity *(Output per full-time equivalent worker)*	87.4	100.0	97.7	103.9	107.2	112.1

The volume of output of food and drink manufacturing (measured at 1990 prices) increased by 1.8% between 1993 and 1994, the biggest increase since 1988. This increase was achieved even though the level of employment in the sector, expressed in terms of full-time equivalent workers, continued its long standing decline, falling by 2.7% between 1993 and 1994. As a result of these changes in output and employment, labour productivity in the sector rose by 4.6% between 1993 and 1994, reaching a level above that of the mid-1980s.

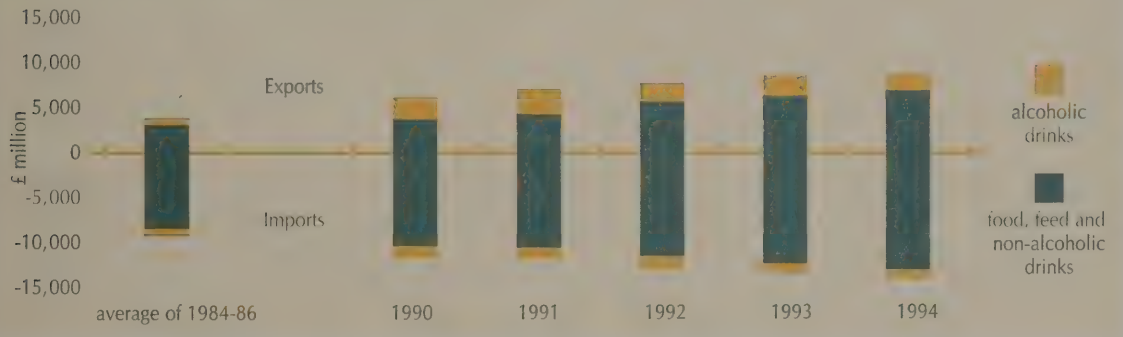
Retail Food Prices (1990=100)

	Average 1984-86	1990	1991	1992	1993	1994	1995
All Items	74.4	100.0	105.9	109.8	111.6	114.3	118.2
Food	79.6	100.0	105.2	107.5	109.4	110.5	114.7
Real Food Prices	107.0	100.0	99.4	97.8	98.0	96.7	97.0
(ie relative to the All-Items RPI)							

Retail food prices (as measured by the Retail Prices Index) rose by 3.9% between 1994 and 1995. This was higher than the increase of 3.5% in the All Items RPI. However over the longer period food prices have shown a marked decline relative to retail prices in general: Between 1985 and 1995 real food prices fell by 9.3.%. The relatively large increase in food prices in 1995 primarily reflected ones in seasonal foods, the index for which rose by 8.1% largely reflecting the shortage of supplies due to the unusually warm and dry summer.

UK overseas trade in food, feed and drink: £million

Figure 3: UK Overseas Trade in Food, Feed and Drink



Exports of food, feed and drink increased by 96% between 1984-86 and 1994 compared to an increase of only 55% in imports. By 1994 exports were equal to 60% of imports compared to only 48% in 1984-86.

The main increases in exports between 1993 and 1994 were for alcoholic drinks and meat. In 1994 whisky exports accounted for £2.2bn of the alcoholic drinks total of £2.8bn. Meat exports totalled £1.2bn.

UK Fishing Output, Income and Employment

	1990	1991	1992	1993	1994
Quantity of fish withdrawn in UK (tonnes)	12,937	4,793	6,072	5,847	3,695
Nominal value of landings by the UK fleet (£m)	472	496	486	526	561
Value of the landings by vessels of 12.19m and over (£m)	387	411	410	461	491
Number of UK vessels of 12.19m and over	2,214	2,197	2,153	2,081	1,934l
Total value per vessel (£'000)	175	181	190	222	254
Number of fishermen in the entire UK fleet [1]	16,967	no data	no data	no data	15,659

(1) Figure for 1990 is partly a projection; series re-established in 1994.

By encouraging high welfare standards

Farm Animal Welfare

Programme Code: AW1:01

(£'000)	Planned	Estimated Outturn	Plans		
	1995-96	1995-96	1996-97	1997-98	1998-99
MAFF Scheme Costs	653	653	686	682	682
of which payments to agencies	555	555	584	584	584
MAFF Administration Costs	4,006	4,357	4,121	4,277	4,277

5.1 The objective of this programme is the encouragement of high welfare standards on farms, during transport, at markets and in abattoirs. Public interest in farm animal welfare is traditionally very high. Interest peaked once more in 1995. During 1995, 209 parliamentary questions were answered, together with around 23,000 letters, representing approximately 20% of all the Department's correspondence.

5.2 The Government consistently promotes measures on animal welfare for agreement at European level. This ensures that any measure passed would have the maximum impact on animal welfare across the Community and would not discriminate against UK producers.

5.3 The Department continues to receive advice from the independent Farm Animal Welfare Council (FAWC) and by MAFF's animal welfare research programmes.

Welfare in Transit

5.4 This has been a prime area of activity in the past year, reflecting the increased public awareness of this issue and the intensity of public concern. There is a continuing need to apply tight welfare controls to the various alternative export routes which have been set up following the 1994 decision of the major ferry companies to stop carrying live food animals from the UK. Following lengthy, difficult negotiations, the Agriculture Council agreed to new rules on animal welfare in transit. The agreement provided for Community-wide rules imposing maximum limits on the length of time livestock is allowed to travel, feeding and watering intervals and tough new enforcement mechanisms including a system of licensing for transporters of livestock.

5.5 The directive is due for implementation by 31 December 1996. The UK's implementation arrangements will need to apply the controls which are laid down by the directive and demanded by the public and so provide a framework within which livestock transporters can pursue their legitimate trade. A comprehensive consultation document was circulated in

October 1995, proposing initial legislation in the spring of 1996, followed by a final implementing and consolidating instrument to come into force by the end of 1996.

5.6 Supplementary EC measures under consideration include proposals on standards for livestock vehicles and Community rules for staging posts. The new transit directive is itself scheduled for review in 1999 and in anticipation of this MAFF will be considering the case for further measures.

Welfare on Farm and at Market

5.7 Following much public concern, the Commission was persuaded to embark on the review of EC directive 91/629 on the welfare of calves two years in advance of the 1997 deadline. This is an important issue for the UK; concern that calves can be exported to be reared on the continent in the veal crate system, which is not permitted in the UK, is a prime factor underlying public opposition to live exports. The Commission submitted a report, based on the advice of scientific experts, to the Council of Ministers in December 1995 and proposals for new EC rules were expected to emerge early in 1996. MAFF will continue to press for a Community-wide ban on the use of veal crates.

5.8 The Department is also pressing the Commission to set in motion during 1996 the review of directive 88/166 on the welfare of laying hens kept in battery cages, which is overdue from 1993.

5.9 The State Veterinary Service has concentrated its enforcement activities on ensuring compliance with the EC Directives on calves, battery hens and pigs and on follow-up action resulting from complaints or allegations about infringements of welfare legislation. During 1995, the State Veterinary Service checked welfare standards on 4,711 farm premises; most were found to be satisfactory but prosecution proceedings were initiated in 127 cases where major contravention of welfare legislation was found. Additionally, MAFF provides veterinary and technical advice to farmers on animal welfare, both through individual visits and through ADAS seminars funded under the Memorandum of Understanding.

5.10 FAWC is continuing its reviews of dairy cattle, laying hens, outdoor pigs and farmed fish. The government response to the FAWC sheep report was issued and the response to that on turkeys is in preparation.

Welfare at Slaughter

5.11 The Welfare of Animals (Slaughter or Killing) Regulations 1995 came into effect on 1 April 1995. The Regulations implement Directive 93/119 on the welfare of animals at slaughter or killing and provide, for the first time, comprehensive protection for all farmed animals at slaughter. Welfare monitoring and enforcement in licensed abattoirs is now the responsibility of a single organisation, the Meat Hygiene Service. In all other areas in which the Regulations apply, responsibility for monitoring and enforcement lies with the State Veterinary Service. New arrangements for the licensing of slaughtermen were implemented and work is continuing on the preparation of new statutory Codes of Practice covering welfare at slaughter.

By providing specialist support services

Audit

Programme Code: IR1:01

(£'000)	Planned	Estimated Outturn	Plans		
	1995-96	1995-96	1996-97	1997-98	1998-99
MAFF Administration Costs	1,556	1,569	1,562	1,587	1,587

6.1 The objective of the internal audit programme is to provide assurance to MAFF's Accounting Officer that management controls are adequate and effective. In addition, an internal audit service is provided to each Agency Accounting Officer under inter-charging arrangements according to the terms laid down in their Framework Document.

6.2 The programme is carried out on a four-year cycle to professional standards laid down in the Government Internal Audit Manual. In addition to providing an assurance to the Accounting Officer, individual audits provide a service to line managers by highlighting weak or ineffective controls or where value for money can be improved. Staff of the internal audit unit also undertake ad hoc financial investigations, including financial management reviews of NDPBs, consultancy assignments and the provision of advice to managers on internal controls for new systems and procedures.

6.3 During 1995-96, a major task for the internal audit unit has been to review internal controls of all systems relating to the payment of CAP expenditure in order to provide a report supporting MAFF's Accreditation as a Paying Agency for EC expenditure under the Guarantee Section of EAGGF under Commission Regulation No 1663/95. As a consequence, the EC has accepted the accreditation of MAFF as a paying agency. In addition, a standard programme of audit reviews is in progress.

6.4 Priorities for 1996-97 are the re-establishment of the MAFF Audit Committee as recommended by the Fundamental Expenditure Review and completion of a revised Audit Needs Assessment and Long Term Audit Plan.

Press and Information Services

Programme Code: IR1:02

(£'000)	Planned	Estimated Outturn	Plans		
	1995-96	1995-96	1996-97	1997-98	1998-99
MAFF Scheme Costs	5,067	5,141	4,767	4,567	4,567
of which paid publicity	5,067	5,141	4,767	4,567	4,567
MAFF Administration Costs	4,191	4,414	3,939	4,017	4,001
Receipts	-22	-36	-10	-10	-10
Net Administration	4,169	4,378	3,929	4,007	3,991

6.5 The objective of this programme is to communicate effectively information on MAFF's policies, services and activities and the work of its Ministers to the media, the industries for which MAFF is responsible and the public in general. This is carried out by the press office with the media, the use of paid publicity, the work of the MAFF Helpline and the activities of the MAFF Library and Translation services.

6.6 MAFF's press office operates with three teams which among other things deal with:

- The Common Fisheries Policy, the Common Agricultural Policy, external trade policy and export promotion
- Animal health and welfare, pesticide safety, food safety and food industry matters
- Conservation and environment policy, countryside matters, horticulture, organic farming and plant health.

6.7 During 1995-96 there was intense media interest in animal welfare issues (particularly the export of live animals), the restructuring of the dairy industry, the operation of the Common Fisheries and Common Agricultural Policies of the EC and the Ministry's investigation into 'The Beast of Bodmin'.

6.8 Since the publication of the last annual report, the press office has been reorganised to ensure that each team deals directly with the policy responsibilities of individual Ministers.

6.9 The major publicity campaigns explaining Ministry policies were developed with the assistance of market research. MAFF also employed project evaluation techniques designed to assess their effectiveness and measure their success in reaching the target audience. The campaigns included marketing ESAs; highlighting 'Action on animal health and welfare', targeting mothers with young children through a national food safety press advertising campaign; promoting the

UK agriculture and food industries both at home and abroad and targeting ports and airports to prevent the spread of disease through the importation of plants, meat and live animals.

6.10 The MAFF Helpline consolidated its role as a single point of contact for a wide range of individuals and organisations seeking information from the Ministry and came second in a competition to find the best examples of service to the public provided by the civil service, run by *Management Matters*, a Government publication for managers in the public sector. It marked its second anniversary in May 1995, by which time over 54,000 telephone enquiries had been dealt with, with 75% responded to within ten seconds and over 60% within five seconds. The Helpline widened its remit to take on written and faxed general enquiries and introduced an E-mail number for Internet users.

6.11 The Library co-ordinated Information Division's input to the CCTA Government Information Service on the Internet through the World Wide Web. A range of statistical and background information on the Department's work, contacts, sources and publications has been mounted. Work has also begun on introducing a dedicated MAFF service on the Internet to expand the range of information available to the agrifood industry and the general public. Use of the Internet is expected to make the disseminating of information more cost effective.

6.12 During the coming year customer satisfaction surveys will be extended to cover all aspects of Information Divisions work. The purpose will be to measure the quality, timeliness and value of the services being provided to Ministers and the Department.

Legal Services

Programme Code: IR1:03

(£'000)	Planned	Estimated Outturn	Plans		
	1995-96	1995-96	1996-97	1997-98	1998-99
MAFF Administration Costs	5,413	5,650	5,211	5,302	5,310
Receipts	-1,198	-818	-748	-748	-748
Net Administration	4,215	4,832	4,463	4,554	4,562

6.13 MAFF's legal department provides legal advisory, litigation and prosecution services to MAFF, IB and the Forestry Commission.

6.14 Work has started on implementing the recommendations of a review into secretarial, clerical and administrative support by the Staff Inspectorate (see IR2:02 – Staff Inspection and Consultancy). Development of the time recording and case management systems is ongoing.

Primary Legislation

6.15 The main departmental activity on primary legislation concerned the Agricultural Tenancies Bill which passed all its stages on 9 May 1995 and, indirectly, the Environment and Countryside Bill on which the Department of the Environment took the lead.

Secondary Legislation

6.16 A substantial volume of legislation, including the introduction of 150 Statutory Instruments (SIs), was undertaken in particular in relation to:

- Food
- Pesticides
- Animal health and veterinary medicines
- The establishment of the Meat Hygiene Service.

Work also continued on a significant programme for deregulation and simplification of food regulations.

Investigation, Prosecution and Civil Litigation

6.17 MAFF's investigation and prosecution branches continue to be active in enforcing the criminal law. They have concluded 133 prosecutions from April 1995 to the end of January 1996. Convictions have been obtained in major areas such as:

- Fisheries – where one case involved 50 defendants and resulted in fines and costs of £175,000
- 'Black Milk' or the selling of milk outside the milk quota system
- Dumping at sea
- The illegal importation of fish.

6.18 There were 18 Judicial Reviews in hand during 1995, of which 11 were the subject of references to the European Court of Justice for preliminary rulings. The cases determined by the English courts involved such matters as:

- The unsuccessful challenge by the Dairy Trade Federation against the Ministry's approval of the re-organisation scheme for the Milk Marketing Board
- The unsucessful challenge to the Ministry's decision to withdraw SLOM 2 quota, from applicants who had no land and had entered into partnership agreements which did not involved the sharing of assets
- The successful challenge brought by the National Farmers Union against regulations on the allocation of livestock quotas to farmers who were developing their holdings (see paragraph 4.55)

- The unsuccessful challenge by pesticide producers who alleged that MAFF had misused confidential information when granting pesticide licences.

On-going cases include challenges to:

- The penalties imposed under the IACS system
- The refusal of the Minister to ban the export of veal calves to EC countries
- MAFF's policy in relation to the transportation of live animals in adverse weather conditions
- The grant of licences to shoot birds
- The assignment of arable area payments
- Allocation of SLOM quota to farmers who had acquired part of a holding
- Importation of fruits and potatoes from Northern Cyprus via Turkey.

6.19 MAFF lawyers were actively involved in the conduct of some 20 cases before the European Court of Justice, participating in 11 written procedures and nine hearings. Of these hearings, four major cases came to judgement in the year:

- The National Federation of Fishermen's Organisations case, where the Court upheld the legality of the Ministry's policy of restricting fishermen's days at sea
- The Country Landowners' Association case, where the Court confirmed that, under Community legislation, national administrations were empowered but not required to introduce arrangements to compensate landowners in respect of the transfer by tenant farmers of livestock quota
- The Atlanta case, in which the Court laid down, in the context of the EC banana regime, the conditions under which national courts may, as interim relief, order national administrations to take action which is inconsistent with Community legislation
- Opinion 3/94 in which the Court made an important ruling on the extent of its power under Article 228(6) EC to determine the compatibility with Community law of agreements between the Community and non-member countries.

6.20 In another important case, Lomas, which concerns restrictions on the export of live animals for slaughter in Spain, judgment is still awaited. There were three further cases connected with the EC banana regime, two relating to the grant of emergency import licences to compensate for losses caused by Tropical Storm Debbie in September 1994 and another case relating to the conditions for granting interim relief. Of the remaining cases, two were concerned with food labelling and two with the allocation of milk quotas.

DEREGULATION

Within MAFF deregulation is a firmly established and integral part of all aspects of policy and its implementation. Its Deregulation Unit monitors activity throughout MAFF and advises on the preparation of Compliance Cost Assessments for all proposed legislation which could create burdens for business.

Increasingly, risk assessment techniques are being introduced to reduce burdens to the minimum consistent with achieving essential protection. MAFF aims to promote a deregulatory approach in Europe and is promoting the removal or modification of unnecessary and burdensome EC rules wherever possible. When turning Community law into British legislation, MAFF will aim to go no further than the EC legislation requires, nor duplicate existing national legislation when implementing Community obligations. MAFF has developed new techniques for achieving these objectives. MAFF also aims to give particular emphasis to the needs and concerns of small businesses.

During MAFF's review of some 500 regulations which potentially impose burdens on business, a number of regulations have been identified for removal or modification and work on this is progressing well. Significant action has already been taken in the areas of milk marketing (worth £3 billion per annum alone), potato marketing (worth another £500 million per annum) and agricultural tenancies. In the past year MAFF has made major changes to repeal and simplify food law. The Order-making power in the Deregulation and Contracting Out Act is being used to make further deregulatory changes. Orders introduced in 1995 under this power relating to slaughterhouses and amendments to the Corn Returns Act 1882 are estimated jointly to result in compliance cost savings of £200,000 annually. Other deregulatory measures include reducing the requirements relating to the marking of pigs and simplifying the arrangements for the licensing of poultry slaughtermen. Steps have also been taken to exempt cold stores handling packaged meat from meat inspection regulations.

Economics and Statistics

Programme Code: IR1:04

(£'000)	Planned	Estimated Outturn	Plans		
	1995-96	1995-96	1996-97	1997-98	1998-99
MAFF Scheme Costs	5,575	5,066	4,932	4,682	4,632
of which payments to agencies	341	347	231	231	231
Non EC Receipts	-1	-1	–	–	–
MAFF Administration Costs	5,622	5,587	5,254	5,260	5,235
Receipts	-616	-619	-706	-429	-666
Net Administration	5,006	4,968	4,548	4,831	4,569

6.21 The objective of this programme is to provide economic advice to support policy formulation and implementation in MAFF and to maintain and improve MAFF's statistical database at minimum cost to both the Department and to industry.

6.22 The Economics and Statistics Group (ESG) operates through the provision of economic analyses of policy issues, advice on policy evaluation and investment appraisal and statistics on relevant industries. The main elements of scheme expenditure are economic studies commissioned from universities and colleges, including the Farm Business Survey (FBS) (1995-96, £2.9m), policy evaluation (£0.4m) and the National Food Survey (NFS) (£1.0m). Most of the receipts are contributions from the EC to the cost of surveys.

6.23 Significant achievements over the last year include; major analyses for the Minister's CAP Review Group, published with the Group's Report as Working Papers; assessments of the implications of EC enlargement to the East; the introduction of sampling into the agricultural census, resulting in 25% fewer farmers having to complete a census form; extension of project appraisal to two new areas (MAFF's estate and Objective 5(b) projects); substantial improvements to horticultural statistics; further development of the Economics and Statistics Group Reference Database, which holds a wide range of data principally on the agriculture and food sectors; contributions to the eight economic evaluations of policies completed in the year; retendering of the NFS, resulting in a significant saving and gradual introduction of more efficient methods of data collection into the FBS, resulting in substantial savings over the next few years. The last two items are reflected in the planned scheme expenditure, for 1996-97 onwards being less than expected a year ago.

6.24 Policy evaluations of the following areas were completed in 1995:

- Arable Area Payments Scheme
- F&CGS Waste Handling Elements (a follow up study)
- ESAs Stage III
- Pilot NSAs
- Bovine Brucellosis Eradication Policy
- Conservation Advice from ADAS and FWAG
- ATB-Landbase
- Implementation of the EC Shellfish Health Regime in Great Britain.

6.25 The National Food Survey Committee is a non-departmental public body which provides valuable advice to MAFF on various aspects of the Survey, at very low cost (less than £1,000 a year).

6.26 Future plans include undertaking a major review of the Agricultural Census; extending the application of the Reference Database technology to other areas of work; introducing an Annual Survey of Tenanted Land, which will be more comprehensive but cheaper than the Annual Rent Enquiry that it will replace; carrying forward economic analyses demonstrating the need for reform of the CAP and undertaking further analyses of the effects of enlargement of EC. The need for economic advice and statistics to inform policy decisions is expected to continue to increase in areas such as the environment, investment appraisal and to be at least maintained in traditional policy areas.

EFFICIENCY SCRUTINY ON THE BURDEN OF PAPERWORK ON FARMERS

An Efficiency Scrutiny on the burdens of paperwork on farmers commenced on 13 November 1995. The Scrutiny, which is part of the second phase of the Government's 'War on Waste' initiative covers England and Wales. The aim of the Scrutiny is to identify achievable reductions in the administrative and paperwork burdens on the farming community. The Scrutiny will identify forms and paperwork which are obsolete or for which there is no clear need and recommend abolition. It will also examine the scope for rationalising demands for information and seek to eliminate duplication. However, the Scrutiny is constrained by the need to protect public money paid to farmers and the importance of maintaining high standards of animal health and welfare.

The Scrutiny Team consists of three working farmers and officials from the Ministry and Welsh Office Agricultural Department. The Scrutiny take account of the views of individual farmers as well as their representative organisations. The final report with recommendations for action by the Departments concerned is expected before the end of March 1996. The Scrutiny Team is in close contact with the parallel 'Agricultural bumpf Cutting Project' Task Force which is covering Scotland.

Information Technology Services

Programme Code: IR1:05

(£'000)	Planned	Estimated Outturn	Plans		
	1995-96	1995-96	1996-97	1997-98	1998-99
MAFF Administration Costs	31,231	31,875	28,065	27,673	27,673
Receipts	-505	-505	-481	-481	-481
Net Administration	30,726	31,370	27,584	27,192	27,192

6.27 The primary objective of this programme is to provide Information Technology (IT) systems and services in support of MAFF's business and information requirements. These are planned, co-ordinated and monitored under the overall umbrella of MAFF's Information

Technology Strategy which is aligned with the Public Expenditure Survey (PES) and reviewed and updated on an annual basis. Estimated expenditure in 1995-96 includes:

- £11.7m capital purchases of IT hardware and software
- £5.6m external IT support and related costs
- £5.0m other associated non pay running costs
- £9.5m ITD pay costs.

Support of Policy Aims/Scheme Administration

6.28 In 1995-96, MAFF will spend some £13.6m on IT support for its policy aims and executive functions, such as payment of grants and subsidies. Major elements of expenditure will be to meet EC requirements in the implementation of CAP Reform schemes, IACS and improved control and enforcement measures adopted under the CFP.

Internal Administration

6.29 Expenditure in 1995-96 on IT support for MAFF's internal administration is expected to be £17.9m. Achievements during 1995-96 include completion of roll-out of standardised and integrated IT office support facilities to MAFF Headquarters and its Regional Service Centres to improve MAFF's overall efficiency and effectiveness.

Private Finance Initiative

6.30 A feasibility study has been completed which has identified a number of future projects which, in the light of further business analysis, may prove to be potential candidates for private financing.

Competing for Quality

6.31 MAFF will spend approximately £365,000 in 1995-96 on activities related to the IT market testing programme. This figure includes in-house teams' preparatory costs, programme management and other internal costs and spending on consultancy support. The programme covers some 270 posts and is due to conclude in 1996-97.

6.32 Running costs savings in 1995-96, as a direct result of IT investment, are expected to total £12.5m (against a target of £7.1m) in MAFF, excluding its Agencies.

6.33 Further implementation of IT systems and services across MAFF business areas will continue over the coming three years in line with current strategic plans and roll-out of integrated IT office facilities throughout the whole of MAFF will be completed. It is anticipated that programme expenditure will remain consistent with the previous PES position for future years, as increasingly IT systems which add value to the Department's business areas and enable the delivery of related efficiencies are introduced. Private finance opportunities will be

considered as appropriate for all new IT projects involving significant capital expenditure. A key task and performance indicator for 1996-97 will be to complete the IT Directorate's market testing programme.

Agencies Support and Citizen's Charter

Programme Code: IR1:06

(£'000)	Planned	Estimated Outturn		Plans	
	1995-96	1995-96	1996-97	1997-98	1998-99
MAFF Scheme Costs	42	38	43	43	43
MAFF Administration Costs	1,004	1,171	1,046	1,303	311

6.34 This Programme supports the introduction and development of the Next Steps and Citizen's Charter initiatives and the co-ordination of the Government's privatisation initiative with the Ministry.

Next Steps

6.35 Approximately half of the Ministry's staff are employed in six executive agencies. The most recent, the Meat Hygiene Service was launched on 1 April 1995. On 1 October 1995 the Central Veterinary Laboratory merged with the Veterinary Investigation Service in England and Wales to form the Veterinary Laboratories Agency. The first review of the Veterinary Medicines Directorate was completed successfully. Decisions flowing from the prior options reviews announced on 29 September in the White Paper, *Government Response to the Multi-Departmental Scrutiny of Public Sector Research Establishments,* (CM 2991) may affect the position of some existing agencies and potential agency candidates.

6.36 Each agency has an Ownership Board which provides an advisory role to Ministers and advice, support and assistance to the Chief Executive as and when he may request it. Each Board comprises senior Departmental officials, the relevant Chief Executive and independent external members. Ownership Boards are increasingly involved in target setting and monitoring and with strategic business planning. Although administrative costs of providing support to Ownership Boards have remained constant, the estimated output for this work (measured in terms of the number of Ownership Board meetings serviced) is likely to increase by approximately 20% between 1994-95 and 1995-96.

6.37 In June 1995 Ministers announced the Government's intention to proceed towards privatisation of parts of ADAS. The range of activities to be offered for privatisation will include ADAS' commercial consultancy and laboratory services as well as much of the work performed for Government. No final decisions have yet been taken on the precise form of any

privatisation. The likelihood is that if ADAS' performance in 1996-97 warrants, an offer for sale will be made in the summer of 1997, though an earlier disposal is not absolutely excluded if financial performance is significantly better than planned. Administration costs in 1996-97 and 1997-98 includes provision for consultancy work related to the privatisation.

Citizen's Charter

6.38 MAFF has now published a total of 23 customer service standards.

6.39 The Regional Service Centres (RSCs), which are responsible for making payment under domestic and EC schemes administered by MAFF, are set performance targets published in *Commitment to Service* which was revised in January 1995. Performance against these targets is regularly monitored and details of performance for 1994-95 were published in July 1995 (see Annex 16). For most Schemes, targets were met in at least 98% of cases. An independent survey of the levels of customer satisfaction with the service provided by RSCs was undertaken early in 1995. The results, published in May, showed that nearly 90% of customers rated the service received as good or better.

OPEN GOVERNMENT

MAFF has for many years published a wide range of information about all aspects of its work, and has sought to make improvements wherever possible – for example, introducing a Helpline in May 1993, which handled over 54,000 telephone enquiries in its first two years of operation. The standards set out in the Government's Code of Practice on Access to Government Information did not, therefore, require MAFF to implement any major changes. An explanatory leaflet is available on charging for certain requests for information under the Code of Practice and on appeal mechanisms. To date, MAFF has not charged for the provision of any information under the Code of Practice.

By allocating resources where they are most needed

Financial Planning and Control

Programme Code IR2:01

(£'000)	Planned	Estimated Outturn	Plans		
	1995-96	1995-96	1996-97	1997-98	1998-99
MAFF Scheme Costs	9	0	2	2	2
MAFF Administration Costs	4,239	4,633	4,323	4,380	4,380
Receipts	-78	-208	-3	-3	-3
Net Administration	4,161	4,425	4,320	4,377	4,377

6.40 The objective of this Programme is to ensure the provision of cost-effective financial, accounting and purchasing services in support of MAFF's business. The Programme includes centralised work for the Public Expenditure Survey, production of MAFF's Supply Estimates and in-year monitoring. For the first time, MAFF's 1995-96 Supply Estimates were structured around the Aims, Sub-Aims and Programmes which are the basis of MAFF's system for allocating resources, budgeting, in-year monitoring and performance evaluation. From 1996-97, MAFF's Supply Estimates will, in common with those from other Departments, be on a simplified basis as agreed with the Agriculture Select Committee and others.

Financial Information Systems and Resource Accounting

6.41 The further development of Resource Accounting Management Information System (RAMIS), MAFF's integrated computerised accounting system, necessary to enable the department to comply with the Government's policy initiative on resource accounting and budgeting, is now quite advanced. The Capital Assets accounting system became operational on 1 January 1995, whilst pilot systems for work recording and resource attribution to work programmes were launched during the summer of 1995. MAFF will be one of the first departments to implement Resource Accounting; it is currently on target to do so by March 1997, as indicated in the Government's White Paper, *Better Accounting for the Taxpayer's Money,* (CM 2929).

Action against CAP Fraud

6.42 Following the Council's adoption of the CAP 'Blacklist' anti-fraud regulation, the Commission is working closely with member states to agree detailed rules for applying the legislation. The regulation, which applies to export refunds, intervention and tendering

arrangements, aims to reduce fraud by intensifying checks against those found to have committed a substantial irregularity and to exclude them from benefiting from community aid for a period to be determined. MAFF and Intervention Board officials will be seeking to ensure that the regulation applies equally across all member states, that standard criteria for taking action under the regulation is set down in the Community rules and that all traders will be treated similarly, with those proved to have done nothing wrong not being subject to unnecessary controls.

6.43 One of the initiatives agreed at the European Council in December 1994 for tackling fraud against the Community budget was for a regulation imposing controls and penalties across all revenue and expenditure sectors of the EC budget. A joint Council Guideline has been adopted on the new regulation for the protection of the Community's financial interests. The regulation provides a framework for applying administrative penalties. This is similar to the system of penalties already in place for direct farm based support schemes and export refunds and is now being extended to other areas of the CAP.

6.44 The number of cases of irregularity reported by member states, the definition of which includes both fraudulent action and claimant error, showed a further significant increase in 1994 (see table 26). The UK continues to account for a large proportion of the number of cases, but only a small proportion of the value, reported across the EC. The increase in overall numbers probably reflects the greater awareness in member states of the need to control CAP expenditure. Work is continuing to improve the EC recovery rate and it is reassuring to see improvements since 1992. UK recovery rates are generally amongst the best in the Community. A concerted effort is being made to target any outstanding cases from earlier years to further improve the UK's rate of recovery.

Table 26: Cases of irregularities reported to the Commission under EC Regulation 595/91

		EC 12	UK	UK proportion
1992	Cases	1,028	131	13%
	Value (£m)	77	5	7%
(To 31/12/94)	Recovered (£m)	15	3	20%
1993	Cases	1,284	180	14%
	Value (£m)	235	3	1%
(To 31/12/94)	Recovered (£m)	78	2	3%
1994	Cases	1,610	228	14%
	Value (£m)	319	9	3%
(To 31/12/94)	Recovered (£m)	61	2	3%
1995	Cases	656	137	21%
(to June 95)	Value (£m)	61	1	2%
	Recovered (£m)	6	0.3	5%

Procurement

6.45 In May 1995 the Government published *Setting New Standards – A Strategy for Government Procurement*. MAFF contributed to the development of this document. The Government's strategy for procurement is to achieve continuing improvement in value for money, based on whole life cost and quality and to enhance the competitiveness of suppliers, through the development of world class professional procurement systems and practices. The Strategy forms part of the Government's continuing quest for efficiency and effectiveness set out in the White Paper, *The Civil Service: Continuity and Change*. At the practical level MAFF has several initiatives in progress and amongst the most notable are:

- Ongoing review of the functional quality and operational effectiveness of the purchase order module software integrated into MAFF's financial management system. This is enabling MAFF to focus scarce procurement resources on areas that offer greatest potential for value for money
- A review of the benefits arising from application of Electronic Data Interchange techniques to low value ordering
- Development of best in class training in the areas of contract management, negotiation, vendor assessment and quality cost management
- A review of the administrative purchasing arrangements in the core-Department.

6.46 On an inter-departmental basis MAFF is committed to developing and maintaining effective working groups at the strategic, technical and operational levels. MAFF is a member of both the ComNet Steering Group, overseeing the Commodity Networking Initiative (CNI) being facilitated by HM Treasury's Central Unit on Procurement and the G-CAT Project Board, which is overseeing the arrangements for the supply to central and local Government of a comprehensive range of IT commodity products and related products and services. The CNI is looking currently at 17 major areas of public expenditure with a view to optimising value for money through collaborative procurement.

6.47 MAFF is committed to minimising the administrative costs of procurement, optimising the operational savings and developing strategies for procurement which yield the best whole-life cost solutions.

Competing for Quality

6.48 The Competing for Quality heading encompasses all those activities which may result in private sector involvement in the delivery of services through competition.

6.49 In 1994-95 MAFF completed the following market tests: Payroll services provided by Chessington Pay Centre; agronomic evaluation of set-aside; work carried out for MAFF by the Laboratory of the Government Chemist; animal services unit (CVL) – supply of animals and waste disposal; messenger and driver services (CVL); purchasing and stores (CVL); ITD systems, services and development – customer support services (ISIS), prime services (PRIME), Mainframe Services (MVS), processor controlled keying; residue sample analysis (VMD); investigation services; interdepartmental van services and term commissions for architectural and engineering design services. Cash savings arising from these market tests are provisionally estimated at approximately £3.7m cumulatively over the financial years 1995-96, 1996-97 and 1997-98.

6.50 The market tests or efficiency reviews either in process or yet to start within MAFF are valued at about £43m (not necessarily all running costs) and affect about 450 staff. The individual tests comprising this programme are: the remanent IT Directorate systems, services and development market tests (for applications support, applications development, network management and UNIX/Local Area Network services); staff training; central services performed by MAFF on behalf of Agencies (proceeding in context of the internal charging initiative); management, maintenance and operation of Fisheries research vessels at Directorate of Fisheries Research Lowestoft; IT work (other than IT Directorate); HQ reprographic services; non-scientific support services for running the new CSL York site; national food survey; training services procured from ATB-Landbase; Fisheries surveillance; farm business survey and contracts with veterinary practices (MHS).

6.51 In addition it is intended that elements of the industry development, press and industry relations and marketing directorate functions at the Meat and Livestock Commission will be

market tested. The value of these functions, from which a detailed programme would be constructed, is estimated at £20m and 153 posts would be affected. MLC are not, however, part of the department's running costs.

6.52 Additional plans above and beyond those identified above will be established when the outcome of strategic, structural and management reviews currently taking place are known.

VALUE FOR MONEY

Throughout its Programmes MAFF aims to achieve the best possible value for money. In 1995, in common with other departments, MAFF drew up an efficiency plan setting out the savings and improvements that were sought throughout the year. Further efficiency plans will be prepared for 1996 and subsequent years. In addition, value for money remains the key criterion for the assessment of all projects, including those where use of the PFI is envisaged.

Value for money exercises are carried out under a number of different programmes. Details can be found in the appropriate entry:

- *Fundamental Expenditure Review* – see Chapter 1
- *Review of Animal Health and Veterinary Group* – see Programmes PP2:01, CE3:03
- *Internal Charging* – see Programme IR2:01
- *Financial Systems* – see Programme IR2:01
- *ADAS Privatisation* – see Programme IR1:06
- *Procurement* – see Programme IR2:01
- *Staff inspection and consultancy* – see Programme IR2:01
- *Open Market* competition for R&D – see Chapter 7
- *Market Testing* – see IR2:01.

PROMPT PAYMENT OF BILLS

MAFF's Prompt Payment Policy is to pay bills in accordance with agreed contractual conditions, or where no such conditions exist, within 30 days of receipt of goods and services or the presentation of a valid invoice, whichever is later. MAFF complies with the CBI prompt payment code. Grants and subsidies are handled separately (see Annex 16). In addition to this MAFF operates its own more stringent targets – it aims to turn round payments to small and medium sized enterprises within 14 days. MAFF's target is that at least 98% of all of these payments should be made within the published policy.

MAFF's Resource Accounting Management Information System (RAMIS), which was introduced in 1994-95, now provides a means to monitor and report payment performance accurately. The latest information emerging from that system indicates that 85.4% of all payments were made by the due date. Although somewhat improved on previous years, this is by no means regarded as satisfactory progress. However RAMIS not only provides comprehensive data on MAFF's payments performance, it also enables targeting of possible problem areas. Accordingly, reports have now been constructed within RAMIS to enable budget holders to be provided with monthly management information on the payments performance of their administrative unit. These reports will identify those areas where improvement in performance is required and will facilitate investigation into the reasons for unsatisfactory performance.

Staff Inspection and Consultancy

Programme Code: IR2:02

(£'000)	Planned	Estimated Outturn	Plans		
	1995-96	1995-96	1996-97	1997-98	1998-99
MAFF Administration Costs	731	697	727	738	738

6.53 The objective of the staff inspection and consultancy Programme is to assist efficiency in the use of resources and effective organisation. The Programme also includes grading guidance and job evaluation, including use of the Treasury's Job Evaluation and Grading System (JEGS) to assist in the core-MAFF/Agency Job Evaluation Review, the results of which will assist in shaping the Ministry's future pay and grading system. The Staff Inspectorate and Consultancy services also include a small organisation and methods service and general advice on benchmarking, quality assurance and risk management. The Staff Inspectorate provides services to MAFF's Agencies, as required, on a 'shadow' charging basis.

6.54 The emphasis of the Programme continues to move towards internal consultancy, responding to managers' needs as they arise. In 1994-95, it comprised 77% of resources. The Inspectorate is very much demand-led and its services have to be competitive particularly on quality because managers are not obliged to use the service. It must therefore offer within its range of skills a variety of services and maintain comparable standards to external providers.

Accordingly, recent assignments have covered a wide range of issues, for example, organisational structure, grading and job evaluation, staff resources, market testing, Fundamental Expenditure Review studies and general management problems.

6.55 No formal savings are set for either staff inspection or consultancy work, particularly since the former is an assurance function. Nevertheless, savings of £3.5m are likely to be achieved in 1995-96 and further savings of £1.9m, £1.5m, and £1.5m are projected for the following years.

6.56 For the immediate future, the key task is to complete the core-MAFF/Agency Job Evaluation Review and the Job Evaluation Review of Senior Posts. Other consultancy work will continue, however, in particular in following up aspects of the Fundamental Expenditure Review on behalf of senior management.

USE OF EXTERNAL CONSULTANTS

Following the Office of Public Service and Science (OPSS) scrutiny on the use of external consultants by Government revised instructions to Budget Centre Managers have been issued within MAFF. These update further the vigorous controls defined by the Accounting Officer in October 1994 and recognise the Prime Minister's policy that the use of consultants should be improved. It is expected that the revised instructions will enable MAFF to determine with reasonable certainty that all external consultancy contracts or related framework agreements let, have a proper business case, enjoy effective project management, systematic implementation of results and post project assessment. Key to this will be the imposition of common definitions of what constitutes consultancy work.

Estimates for overall MAFF expenditure (including agencies) on consultancy work for the financial years 1991-92 to 1995-96 are as follows:

(£m)	1991-92	1992-93	1993-94	1994-95	1995-96
Non IT	1.4	1.8	4.8	6.9	9.3
IT	4.0	5.2	8.3	5.4	5.9
Total	5.4	7.0	13.1	12.3	15.2*

* excludes VMD.

MAFF's objective remains the spread of best procurement practice in all areas of Ministry expenditure on goods and services, of which external consultancy is but one part.

Management of Accommodation and Property Resources

Programme Code: IR2:03

(£'000)		Planned	Estimated Outturn	Plans		
		1995-96	1995-96	1996-97	1997-98	1998-99
MAFF Scheme Costs		9,869	9,794	7,368	2,944	1,934
of which	payments to agencies	545	545	513	513	513
	capital	9,072	9,000	6,676	2,251	1,242
Non EC Receipts		-10,696	-7,993	-3,930	-11,151	-5,251
MAFF Administration Costs		97,493	99,704	92,153	87,313	83,070
of which	capital	48,120	41,783	39,022	31,213	27,177
	rent	22,705	7,368	22,705	19,000	17,500
	maintenance	17,000	17,500	17,000	16,500	16,000
Receipts		-361	-253	-654	-642	-642
Net Administration		97,132	99,451	91,499	86,671	82,428

6.57 The objectives of this Programme are to provide, maintain and dispose of buildings and land, to make the best use of the minimum amount of accommodation needed to meet MAFF's requirements efficiently and to safeguard the Ministry's interests.

6.58 Estate rationalisation led to the sale of 26 properties last year (1995-96) and the surrender of 11 Crown Buildings to DoE Property Holdings (PH). However on 1 April 1996, as a consequence of the Review of the Management of the Government's Civil Estate, the Ministry assumed responsibility from PH for 16 buildings where it is the major occupier and 36 where it is the sole occupier. Scheme receipts amounted to approximately £8m in 1995-96 compared with £5.5m in 1994-95. These are predominately for sales of land and property, but include a small amount for rents for dwellings occupied by farm workers, commercial rents for surplus properties awaiting disposal and payments for wayleaves and easements.

6.59 The programme of replacing obsolescent buildings continued. The Central Veterinary Laboratory at Weybridge saw completion within budget and on schedule of a new incinerator building. The refurbishment of the Veterinary Investigation Centres at Thirsk and Penrith, due for completion by late 1996, remained on target, while there has been some slippage to the construction of the new Central Science Laboratory at York, which should now be ready for occupation in late summer 1996.

6.60 MAFF took an early interest in the application of the Private Finance Initiative (PFI) to property schemes. Working closely with the Private Finance Panel Executive, four office projects were identified as possibilities. The contract for the first of these, for a new Regional Service Centre at Northallerton, may be signed soon. A similar arrangement at Crewe should be concluded during 1996, whilst others at Exeter and Weybridge (for the Veterinary Medicines Directorate) are being negotiated.

6.61 The maintenance programme continued with particular emphasis on the reorganisation of accommodation for the Veterinary Field Service. Annual maintenance costs on MAFF's existing estate are expected to fall by roughly £500,000 per annum over the next few years. However, the 52 buildings which MAFF inherited on 1 April (see above) will increase the Ministry's expenditure on building maintenance considerably. To identify areas where improvements might be made, MAFF's performance will be measured and compared with other Government Departments and the private sector (a process known as benchmarking). A survey of 25 buildings has established a programme of requirements to improve access and facilities for persons with disabilities.

6.62 Plans for the future include continuing the disposal of redundant buildings and exploring Private Finance Initiative Funding to refurbish or redevelop some of the Ministry's aged office buildings.

GREEN HOUSEKEEPING

In 1995-96 the main emphasis was on the Government's energy efficiency campaign. MAFF continued to take steps aimed at reducing energy consumption, through investment in energy conserving measures, seminars for local energy efficiency officers and the promotion of an awareness campaign for all staff.

Progress continued on the implementation of the Ministry's Green Housekeeping Strategy which covers waste management, pollution prevention, energy savings, water conservation, environmentally friendly purchasing, heritage conservation and safeguarding the natural environment. Over the past year, more offices set up recycling schemes and some extended their existing schemes. Further measures were taken to phase out equipment using ozone depleting substances and to ensure that equipment containing them was maintained properly to limit the possibility of leakages. Control measures to deal with legionella and asbestos were strictly enforced. A pilot study was commissioned into the management of grounds in an environmentally sensitive manner. Steps were taken to publicise various green housekeeping initiatives and to inform staff through newsletters and training courses of the contribution that they can make. As part of a Government-wide initiative, consultants carried out studies at a range of sites (covering laboratories, farms and offices) to establish whether the Ministry might adopt formal environmental management systems or whether environmental management would be best carried out by other means, such as building on the Ministry's current arrangements. The consultant's recommendations are under consideration.

Ministers and Top Management

Programme Code: IR2:04

(£'000)	Planned	Estimated Outturn	Plans		
	1995-96	1995-96	1996-97	1997-98	1998-99
MAFF Scheme Costs	0	5	7	7	7
MAFF Administration Costs	1,866	1,843	1,859	1,880	1,880

6.63 This Programme provides for the salaries of Ministers, the Permanent Secretary and the Minister's Special Adviser and the costs of operating Private Offices. Its objective is to provide Ministers and the Permanent Secretary with the support necessary to fulfil their statutory, Parliamentary, representational and other duties effectively and efficiently.

6.64 Private Offices provide the necessary liaison between Ministers, the Permanent Secretary and the Department, Parliament, other Government departments and outside bodies and individuals. They ensure that Ministers and the Permanent Secretary are adequately briefed for visits, meetings and debates and have the necessary information to make policy and management decisions.

6.65 In 1994-95, Ministers answered 1,715 Parliamentary Questions. 10,035 letters from Member of Parliament were also received – 74% of these were answered within 15 working days. In addition, nearly 100,000 letters were received directly from members of the public in this period, which received official replies. Numerous telephone enquiries are also dealt with by Private Offices.

6.66 Since publication of the last report efficiency has been significant improved by the introduction of an electronic diary system for all Ministers. The appointment of an additional Spokesman in the House of Lords has increased the number of people for whom support is provided under this programme.

REPORT OF REFERRALS TO THE PCA

During the financial year 1994-95 the Parliamentary Commissioner for Administration (PCA) referred five new complaints to MAFF. Investigations continued on four cases from previous years. No cases were resolved during this financial year.

EX-GRATIA PAYMENTS

MAFF may make ex-gratia payments to members of the public for several reasons where the Department has been at fault to some significant degree, or where such payment is justified.

In 1994-95, the sum of £9,421 was paid out in such circumstances.

By effective management and development of staff

Management of Human Resources

Programme Code: IR3:01

(£'000)	Planned	Estimated Outturn	Plans		
	1995-96	1995-96	1996-97	1997-98	1998-99
MAFF Administration Costs	33,779	34,360	31,184	26,656	26,677
of which decentralised	10,596	10,667	9,998	9,780	9,791
centralised	23,183	23,693	21,186	16,876	16,876
Receipts	-1,952	-1,862	-1,898	-1,803	-1,838
Net Administration	31,827	32,498	29,286	24,853	24,829

6.67 This Programme operates through the development and implementation of policies concerning employment, staff management, staff welfare, training, health and safety, development and pay. From 1995-96, this Programme has been expanded to include costs for office services in most HQ buildings, such as post, messengers, reprographics and record management requirements (formerly Programmes IR2:03 and IR2:05).

6.68 Pay policies are implemented centrally or through devolved personnel and pay functions in agencies, Regional Service Centres and certain other business units; staff pay is generally provided for under the Administration cost of each Programme. This Programme provides for the costs of personnel, training and other establishments services provided to MAFF and certain Agencies. Annex 8 provides a table of staff numbers. The centralised costs represent expenditure on services undertaken by the whole of MAFF, for example, payments to seconded staff, early retirement costs and permanent and compulsory transfer expenses.

Senior Civil Service and Structure Reviews

6.69 From 1 April 1996 staff at Grade 5 and above throughout the Ministry and its agencies will form part of the new Senior Civil Service (SCS) which is being created to cover all staff at this level throughout the Civil Service. In preparation for this the Cabinet Office has issued a number of consultation documents including draft formal employment contracts and papers on arrangements for pay and grading, appraisal, training and development, mobility and equal opportunities in the SCS. The department, in common with all other departments, has circulated these papers to senior staff and has been considering how the arrangements should be implemented once finalised by the Cabinet Office.

6.70 The recommendations of a Senior Management Review have been accepted by Ministers and, as a consequence, by Autumn 1996 the number of senior staff in post will have been reduced by 25% compared to the position on 1 April 1994. All senior posts are being evaluated to enable them to be fitted into the new Senior Civil Service. A review of grading at other levels is also in hand to inform decisions in 1996-97 about pay and grading.

Relocation to York

6.71 The relocation exercise to York was completed satisfactorily in April 1995. The Kings Pool site was formally opened by the Minister in May 1995. Early indications are of a high level of staff satisfaction with the recruitment and retention of high calibre staff a continuing prospect.

Reductions in MAFF Running Costs

6.72 A voluntary early retirement scheme was launched in October 1994 as part of a series of measures to reduce the size of the department over the next two years. So far more than 150 staff (grades at Higher Executive Officer level and equivalents up to grade 2) have left under the scheme.

6.73 A revised and more effective inefficiency procedure has been introduced. Two cases of unfair dismissal were brought against the Ministry at an Industrial Tribunal. One case was unsuccessful whilst the other was settled by a modest compensatory payment at the suggestion of the Tribunal prior to its conclusion.

Pay

6.74 Performance-related Pay has been operated for most non-industrial grades and one industrial grade. A Pay Strategy Unit has been established to take forward pay delegation including pay negotiations from 1 April 1996. The cost of administering pay (per capita staff) was £130 in 1995-96. This figure includes the cost of the contract awarded to Chessington Computer Centre to provide payroll services to the Department as from 1 April 1995, following market testing in 1994-95.

Training

6.75 A training needs analysis was undertaken for all staff and work has started on introducing a core competence framework as the basis for determining future training and development needs for staff in grades AA (Administrative Assistants) to Grade 6 and their equivalents. A schedule of mandatory Equal Opportunities training for all Higher Executive Officers/Executive Officers was initiated under the Department's Programme of Action. Details of the overall training received by MAFF and Agency staff are shown below.

Table 27: Training in MAFF (including Agencies)

	1992-93	1993-94	1994-95	1995-96 (target)
Training days delivered by Staff Training and Development Branch	6,530	6,743	7,427	7,500
% of staff satisfaction with training received	N/A*	N/A	86%	>80%
Externally provided and other ad hoc training	41,927	43,841	22,492**	22,500

* Not available.
** The fall in external/other training in 1994-95 was mainly due to changes in the way that technical training was organised in ADAS and to the absence of recruitment within the Department, especially the Horticultural Marketing Inspectorate.

Staff Welfare

6.76 The Staff Welfare Service is currently under review to clarify the role of the welfare officer and to examine the need for the service and whether it can be provided in a more cost effective way.

Leave and Attendance

6.77 Following an internal review of sickness absence monitoring, more effective management systems are being developed.

Pensions Administration

6.78 Work is in progress to complete a data capture exercise which will streamline pensions administration and allow the Department to authorise its own awards or buy in services from outside.

Travel and Subsistence Policy

6.79 Internal reviews of the arrangements for travel on official business are under way.

Records Management

6.80 During 1995, headquarters file storage was centralised at Companies House EC1, thus releasing valuable office space and reducing support staff numbers.

Reprographics Services

6.81 The market testing of the headquarters reprographics service was postponed pending an internal consultancy review which has now identified ways to cut operating costs whilst maintaining service standards.

Table 28: Staff in post by grade equivalent, ethnicity, gender and registered as a disabled person as at 1 April 1995

Grade Level	Ethnic Minority	%*	Female	%	Registered Disabled Person	%
Grade 7 and above	15	1.5	190	18.0	4	0.4
Higher and Senior Executive Officers (HEOs and SEOs)	39	2.4	538	31.1	11	0.6
Executive Officers (EOs)	43	2.8	757	47.7	19	1.2
Administrative Officers and Administrative Assistants (AOs and AAs)	286	8.3	2,392	66.5	93	2.6
TOTAL	383	5.0	3,877	48.7	127	1.6

*Based on respondents to the voluntary ethnic origin questionnaire. Response rate = 95.9 %.
This table excludes staff in ADAS and MHS which hold their own human resource and ethnic origin data.

Recruitment

6.82 Most recruitment to permanent posts and to casual appointments of more than one year is undertaken in accordance with the principles of fair and open competition.

6.83 The number of occasions on which the permitted exceptions to fair and open competition have been used is as follows (not including casual appointments made for periods of up to 51 weeks):

- Extension/conversion of short term appointments — 1 Grade 6, 1 Grade 7
- Re-appointments — 2 SEOs, 1 HEO, 2 EOs, 5 AAs
- Secondments (inward) — 1 Scientific Professional Technical Officer, 1 Higher Scientific Officer.

EQUAL OPPORTUNITIES

Further steps to consolidate progress in improving equality of opportunity for job applicants and staff were made during the year. The monitoring of personnel functions was reviewed and efforts focused on identifying problems and offering solutions. Work is nearing completion on updating and combining the existing separate initiatives on women, ethnicity and disability to provide a programme applicable to all staff.

The current equal opportunities training programme, which aims to ensure staff at all levels have a common understanding of MAFF's policy, initiatives and their own responsibilities, has included a presentation to update the Management Board, and mandatory workshops for all EOs, HEOs and equivalent grades. The number of specialised courses for those involved in personnel related work was increased. Further equal opportunities workshops are planned for senior management grades.

Two ethnic minority undergraduates sponsored by the Department through the Windsor Fellowship successfully completed their two year programme. Two advice booklets on Epilepsy and Blindness and Visual Impairment have been issued and the needs of staff with disabilities are being considered in an accommodation survey.

The equal opportunities complaints procedure is being revised in the light of experience gained since it was introduced.

EXCHANGES OF STAFF

It is Government policy to increase the number of British Civil Servants on secondment to EC institutions since this provides valuable experience. The Department attaches particular importance to such secondments given its extensive involvement in EC decision-making. Secondments to and exchanges with the Governments of other Member States and international organisations are also regarded as a useful way of increasing understanding and broadening experience.

During 1995, 13 officers have been on secondment to the Commission as Detached National Experts (DNEs) for varying periods while five officers have undertaken five-month Stagiaire placements. Of those who undertook a stagiaire placement, three were able to secure offers of a DNE contract. A further 10 officers have been employed as specialists by the Commission on temporary contracts. A secondment to the Irish Government under the Anglo-Irish Scheme was extended at the request of the Irish Government. The department has also been successful in arranging a secondment to the French Government under the Anglo-French Scheme and is considering the inward secondment of up to four German officials under the Anglo-German Exchange Scheme. Also two officers are seconded to international organisations (the Oslo and Paris Commission and the North Atlantic Salmon Conservation Organisation); a veterinary officer is on loan to the Falkland Islands, a veterinary investigation officer was on loan to the Overseas Development Agency (ODA) in Peru and a MAFF official is acting as Policy Adviser to the Ministry of Agriculture in the Slovak Republic.

In addition, a number of visits were arranged for officials engaged in the implementation of Single Market legislation under EC exchange programmes. In 1995, MAFF hosted seven inward visits and four outward visits including exchanges under the 1994-95 veterinary exchange programme.

7.1 MAFF funds research in order to inform its policies, to provide scientific foresight and to contribute to the identification of future policy options. This research contributes to the achievement of the four strategic Aims of the Ministry. The individual policies it supports are described in the earlier chapters of this report. The balance of expenditure between the four Aims is reviewed annually by the R&D Committee chaired by the Permanent Secretary. It is important to ensure that the research programmes reflect current priorities, and that a proper balance is maintained across the whole range of sectors and includes longer term strategic as well as the more immediately relevant applied specific research. MAFF contracts research with a wide range of suppliers including MAFF agencies, research council institutes, higher education institutions, food research associations and other commercial establishments.

7.2 The allocation of expenditure between individual programmes is given in Table 29 and not the individual programme tables which appear in earlier chapters. An estimated £5.5m spent in MAFF's one non-Agency laboratory, the Directorate of Fisheries Research, is included in the MAFF Administration Costs in the tables for programmes RE2:03, RE2:04, CE2:30 and CE2:32 and is identified separately as 'Fisheries Research' in Table 29 (all other R&D is provided for in Scheme expenditure). In addition to the expenditure in Table 29, the Ministry also provides a grant-in-aid to the Royal Botanic Gardens, Kew, under Programme CE2:42, to undertake a programme of basic research in support of the body statutory functions, which include research.

To protect the public

7.3 Research supports many policies within this aim. It contributes to food safety where it focuses on identifying, assessing and managing risks resulting from chemical, microbiological and radiological contamination of food, as well as on the development of better diagnostic tests and vaccines for zoonoses, on veterinary medicines and meat hygiene. The major programme on transmissible spongiform encephalopathies was fully reviewed in February 1995 and will be maintained with an increase in funding of £1m. Research is also directed to protecting animal welfare. In pesticides, research is directed towards methods of alleviating environmental impact, the development of codes of practice for safe use, the development of analytical methods and to inform registration.

7.4 The health targets in *Health of the Nation* are a significant driving force behind the direction and content of the food nutrition programme. Research is directed to the development of safe, attractive and better tasting food products from plants and animals and to provide a sound basis for nutritional advice.

7.5 Research on the control of genetically modified organisms and the alleviation of flooding and coastal erosion also contributes to protecting the public.

To protect and enhance the rural and marine environment

7.6 The research programme contributes to many aspects of environmental protection. It focuses on agricultural systems that are competitive but also conserve the environment and includes work on farm waste management, particularly the emission of green house gases, nutrient losses and soil protection, measures to safeguard biodiversity and, in the marine environment, the impact of offshore activities such as gas and oil exploration and dredging. Longer term work, for example on the likely impact of climate change is also important.

To improve the economic performance of the agriculture, fishing and food industries

7.7 Research makes an important contribution to the industries' ability to compete and respond to market forces. Work on reducing inputs of energy, chemicals and water to arable and horticultural crops will remain important and the application of molecular genetics in many areas will contribute to the development of crops with improved qualities. The development of non-food crops such as fibre species as feedstocks for the fibre and pulp industries and crops as alternative sources of industrial chemicals will augment the existing programme of research on miscanthus and short rotation coppice.

7.8 Research in the livestock area seeks to improve efficiency of production and ensure that the final product can assist in meeting the dietary targets established in *Health of the Nation*. Research on animal welfare will continue to be important and now includes work on the production of veal calves and the control of diseases such as sheep scab.

7.9 In food processing, research funding will continue to be directed towards developing technology transfer to encourage innovation and the development of best practice. Regional technology transfer centres, aimed particularly at Small and Medium Sized Enterprises (SMEs), will assist in meeting this aim as will the use of the Teaching Company Scheme.

7.10 Across this whole sector there is an increasing emphasis on the importance of involving industry in planning and funding research from which it will ultimately benefit. LINK programmes will continue to be developed in food, where much valuable work has already been carried out, in the agricultural sectors, and through a planned programme on aquaculture. Research will continue in support of fish stock management.

Use of Research Results

7.11 For research to achieve its purpose the results must be effectively transferred to the user. Research which contributes to the formulation and implementation of policy is used directly within the Ministry and the transfer is efficient. This is mainly research supporting the aims of protecting the public and protecting and enhancing the environment.

7.12 The results of research which is undertaken to improve the economic and environmental performance of the industry are more complex to transfer. Particular effort is being made to ensure that industry makes an input to planning the direction of research and, where appropriate, its funding, for example through LINK schemes, as this helps to ensure both better targeting of research and effective take-up. The Ministry is also developing methods of improving effective technology transfer using existing programmes such as the Teaching Company Scheme, the establishment of Regional Technology Transfer Centres and sectoral arrangements such as road shows.

Table 29: MAFF research funding by Programme

(£'000) Programme Title	Estimated Outturn 1995-96	1996-97	Plans 1997-98	1998-99
Agriculture				
AW1:01 Animal welfare and protection	4,440	4,148	4,148	4,148
CE1:03 Set-aside (Arable Area Payments)	752	493	493	493
CE1:10 Cereals	6,160	5,736	5,736	5,736
CE1:11 Oilseeds and other arable crops	1,870	1,728	1,728	1,728
CE1:20 Beef	1,107	1,240	1,240	1,240
CE1:21 Sheep	2,965	2,967	2,967	2,967
CE1:22 Pigmeat	1,365	1,365	1,365	1,365
CE1:23 Eggs and poultry	1,276	1,224	1,224	1,224
CE1:24 Milk and milk products	3,629	2,894	2,894	2,894
CE2:01 Potatoes	1,069	1,000	1,000	1,000
CE2:02 Horticulture	11,994	11,619	11,619	11,619
CE2:03 Alternative crops	749	971	971	971
CE2:20 Plant varieties and seeds	385	377	377	377
CE2:21 Biotechnology *	517	–	–	–
CE2:22 Organic farming	947	1,168	1,168	1,168
CE2:41 Land use	90	53	53	53
CE2:43 Science policy	7,473	8,240	8,240	8,240
CE3:01 Other animal diseases and conditions	7,408	6,949	6,949	6,949
CE3:02 Plant health	823	807	807	807
PP1:03 Meat hygiene	568	533	533	533
PP1:04 BSE	5,441	6,431	6,431	6,431
PP1:05 Veterinary medicines	1,868	1,829	1,829	1,829
PP1:06 Pesticides Safety	9,465	8,407	8,407	8,407
PP1:09 Fertilisers/Feedingstuffs standards	263	90	90	90
PP2:01 Brucellosis & tuberculosis eradication	1,914	1,914	1,914	1,914
PP2:02 Salmonella	1,777	1,777	1,777	1,777
PP4:01 Flood and coastal defence	3,101	2,909	2,909	2,909
RE2:01 Environment protection – nutrients	6,297	5,860	5,860	5,860
RE2:02 Environment protection – general	4,101	3,848	3,848	3,848
RE3:01 ESAs & Countryside Stewardship	1,968	1,754	1,754	1,754
RE3:02 Wildlife conservation & crop residues	359	659	659	659
RE3:03 Farm woodlands	1,347	1,112	1,112	1,112
RE3:04 Countryside management	1,513	1,358	1,358	1,358
Agriculture Total	**95,001**	**91,460**	**91,460**	**91,460**
Food				
CE2:11 Improved marketing	3,076	3,076	3,076	3,076
PP1:01 Food safety	9,839	10,631	10,631	10,631
PP1:07 Radiological protection	856	881	881	881
PP1:08 Food quality & nutrition	8,730	7,407	7,407	7,407
Food Total	**22,501**	**21,995**	**21,995**	**21,995**
Fisheries				
CE2:30 Conservation of sea fish stocks	1,078	976	976	976
CE2:32 Fish farm & shellfish production	557	710	755	755
RE2:03 Salmon, whaling & inland fisheries	419	429	416	416
RE2:04 Aquatic environment	581	508	510	510
Fisheries Research **	5,704	5,500	5,500	5,500
Fisheries Total	8,339	8,123	8,123	8,123
Reduction following November budget statement to be allocated later			-500	-1,000
GRAND TOTAL	**125,841**	**121,578**	**121,078**	**120,578**

* CE2:21 Biotechnology research is continuing within CE2:43 and PP1:01.

** Fisheries research represents the costs of MAFF's own non-Agency research. Only this category of research expenditure is included in the individual Programme tables throughout the report, in the MAFF Administration Costs figures.

ADAS

Programme Code: EA1:01

(£'000)	Planned	Estimated Outturn	Plans		
	1995-96	1995-96	1996-97	1997-98	1998-99
Scheme Costs	45	55	40	35	35
of which payments to other agencies	45	53	40	35	35
Administration Costs	77,769	80,202	74,800	72,765	72,765
Receipts	-73,500	-74,981	-72,500	-72,500	-72,500
of which from core-MAFF	-39,626	-39,751	-39,024	-37,904	-37,767
from other agencies	-574	-549	-588	-588	-588
Net Administration Costs	4,269	5,221	2,300	265	265

8.1 ADAS services include consultancy advice and information to Government and private and public customers on a fee paying basis, statutory and regulatory work on behalf of Government and R&D for Government, industry funded organisations and corporate customers.

8.2 ADAS performance targets for 1995-96 are; to recover 73% of full costs for consultancy services through charges to commercial customers (the remaining costs will be met by MAFF); to restructure operations in order to achieve this target; to reduce cost base to make it competitive in all markets; to achieve full cost recovery from all other work; to reduce the total cost per hour in contract delivery in real terms by 2%; to maintain average debtor days at or better than the best achieved in any previous year; to meet 90% of R&D project milestones and to continue to achieve customer satisfaction as measured by customer surveys.

8.3 ADAS met all its performance targets for 1994-95 other than the reduction of debtor days. These can be summarised as:

Table 30: ADAS performance against key targets 1994-95

Performance Measure	Target	Achieved
Cost recovery: charged advice	63%	65%
Reduction in cost per direct hour	4%	4%
Debtor days	53	56
R&D project milestones achieved	90%	98%

8.4 ADAS operates within a net running cost control regime. The annual report and accounts for 1994-95 were published in July 1995 and are available from ADAS Headquarters, Oxford Spires Business Park, The Boulevard, Kidlington, Oxon OX5 1NZ. It was announced during the year that parts of ADAS would be offered for privatisation probably during 1997, subject to intermediate targets being met. The exact timing of this would reflect the Agency's performance in 1996-97. The financial plans shown in the Departmental Report do not make any provision for possible costs and savings relating to ADAS privatisation.

8.5 For the third year, ADAS carried out a major customer satisfaction survey in 1995. Each survey was conducted on an identical basis to provide comparable data. The completed surveys were based on a statistically valid sample drawn from an even spread of contract values and covered questions about the provision of information and advice, ADAS personnel, business benefits, service standards and value for money. Ninety per cent of respondents were farmers. The 1995 survey results showed a high level of satisfaction with the standard of service with a trend towards an improvement of satisfaction overall.

8.6 Approximately 63% of customers surveyed felt the service offered good value for money, and 96% indicated that they would use ADAS again. In terms of pricing, however, around 31% compared ADAS unfavourably with other consultancies, a position which deteriorated slightly in 1994. This will be addressed as ADAS prepares itself for privatisation. The customer survey is likely to be amended in the future to reflect more closely the main factors determining overall satisfaction. The whole programme will be linked to the ADAS Total Quality Management programme 'All Together Better' as a way of continuously improving the services offered to clients.

Central Science Laboratory (CSL)

Programme Code: EA1:02

(£'000)	Planned	Estimated Outturn	Plans		
	1995-96	1995-96	1996-97	1997-98	1998-99
Administration Costs	22,508	24,496	22,398	21,520	21,520
Receipts	-24,086	-25,700	-23,894	-24,094	-24,094
of which from core-MAFF	-18,179	-19,602	-17,252	-16,652	-16,176
from other agencies	-2,275	-3,356	-3,703	-3,698	-3,698
Net Administration Costs	-1,578	-1,204	-1,496	-2,574	-2,574

8.7 CSL's main objective is to provide a wide range of scientific services including advice, training and support, underpinned by appropriate R&D, to help MAFF to achieve its main

aims of ensuring the safe and efficient production of food whilst protecting the consumer and the environment. About 92% of CSL's income is derived from MAFF. The remainder comes from levy bodies, other Government Departments and public and private sector establishments to whom R&D, training and advice is provided on a commercial basis.

8.8 CSL first became an Agency in 1992 and two years later was re-launched as an enlarged Agency following its merger with the MAFF Food Science Laboratories at Norwich and Torry. The Torry site was found to be uneconomic so it is planned to relocate the major part of CSL, including about half of the scientific staff and work programme of its Torry site, to a new purpose-built laboratory near York in the summer of 1996. The remainder of the Torry work programme and associated staff will transfer to other research establishments in Aberdeen. The significant effort during the past twelve months has been in progressing the Agency's relocation project. Non-recurring costs associated with this are accounted for under a separate Programme, EA1:07 (below).

8.9 Key performance targets for 1995-96 are:

- 97% recovery of full costs after allowing for relocation costs and deficit on Torry operations
- 1% improvement in utilisation of productive time
- 1% improvement in ratio of overhead to total costs
- At least 90% of work completed to time and within budget
- Achieve a mean score of 3 on a scale of 0 to 5 for the assessment of customer satisfaction using the established methodology
- Continuing development of arrangements for the independent assessment of the quality of the scientific work and publications.

8.10 CSL moved to net running cost controls in April 1994 and in 1994-95 met five of its six targets in full, only narrowly missing its recovery of full economic costs target:

Table 31: CSL performance against key targets 1994-95

Performance Target	Target	Achieved
Recovery of full economic costs of operation through charges to customers	100%	99%
Overall efficiency gain	2%	5%
Reduction in representative unit cost of services	2%	5%
Work completed to time & within budget	90%	99%
Contracts delivered to customers' satisfaction	95%	99%

8.11 CSL also met its obligation to continue to develop arrangements for the independent assessment of the quality of its scientific work and publications. Arrangements were made for two separate independent Visiting Groups to assess the quality of the scientific management, practices and facilities of both CSL's Food Directorate and its Agriculture and Environment Directorate in June and September 1995 respectively. The Visiting Group Chairs will present the reports of their Group's findings to the CSL Ownership Board in late 1995 and the outcome will be published in the Agency's Annual Report & Accounts 1995-96.

8.12 CSL published its revised customer service standards statement in June 1994 and in September launched a Quality Improvement System throughout the organisation. The Agency is also committed to conducting customer satisfaction surveys on an annual basis. The results of the first two surveys showed a substantial level of satisfaction with performance but highlighted some areas where there was room for improvement. A third survey, relating to 1994-95 commissions is in progress.

8.13 CSL's Annual Report and Accounts for 1994-95 were published in July 1995 and copies can be obtained from CSL's Headquarters at London Road, Slough, SL3 7HJ, or from HMSO.

CSL Co-location

Programme Code: EA1:07

(£'000)	Planned	Estimated Outturn	Plans		
	1995-96	1995-96	1996-97	1997-98	1998-99
Administration Costs	890	1,309	2,019	20	–

8.14 In 1996 CSL will move from the majority of its present sites to a purpose-built laboratory currently under construction near York. This programme covers the costs (excluding construction) of this move, including such items as consultants fees to assist development of efficient operations at York and assistance with project management and migration of IT systems. It also covers equipment removal, parallel running costs and decommissioning, which are not covered by normal running costs.

Veterinary Laboratories Agency (VLA) (formerly CVL and VIS)

Programme Code: EA1:03

(£'000)	Planned	Estimated Outturn	Plans		
	1995-96	1995-96	1996-97	1997-98	1998-99
Scheme Costs	19	19	19	19	19
of which payments to other agencies	19	19	19	19	19
Administration Costs	22,487	30,661	33,590	33,318	33,318
Receipts	-25,846	-28,738	-38,387	-38,228	-38,228
of which from core-MAFF	-23,140	-24,014	-31,238	-31,116	-31,116
from other agencies	-1,574	-1,626	-1,656	-1,656	-1,656
Net Administration Costs	-3,359	1,923	-4,797	-4,910	-4,910

8.15 The VLA was launched as an Executive Agency on 1 October 1995. Its creation was as a result of a review of the Animal Health and Veterinary Group which recommended the merger of the Central Veterinary Laboratory (CVL), already an Agency, with the network of Veterinary Investigation Centres (VICs), formerly part of the integrated Veterinary Field and Investigation Services.

8.16 The VLA's aim is to be the primary supplier of specialist veterinary advice to MAFF based on sound investigation and surveillance, laboratory testing, research and development. It also supplies services to other public and private sector organisations on a commercial basis. It operates a network of laboratories in England, Wales and Scotland supported by a central facility at CVL.

8.17 The Agency operates on a net running cost basis and its performance is monitored by key financial and other performance targets. For CVL the 1994-95 targets and achievements were:

Table 32: CVL Performance against key targets 1994-95

Performance Targets	Target	Achieved
Cost recovery for all CVL services	100%	100%
Overall efficiency gain	2.5%	2.6%
R&D milestones met	85%	85.9%
Service quality	1. A satisfactory report from a visiting group 2. Laboratory accreditation for Biological Products and Analytical Chemistry units	1. Achieved 2. Achieved

8.18 1996-97 targets for the VLA are being considered by Ministers. Targets for CVL are:

- Full cost recovery
- An overall efficiency gain of 2.5%
- 85% of R&D milestones achieved
- Achievement of a satisfactory report from a visiting group
- Achievement of laboratory accreditation for Radiochemistry Unit.

8.19 The Citizen's Charter principles established for CVL will continue to apply in the VLA. In 1993 a benchmark for levels of service for diagnostic testing customers was established and this has been followed up with a programme of customer service questionnaires. The results show that the level of customers satisfied with the service CVL provides has increased from 62% to 84%.

8.20 CVL's 1994-95 Annual Report and Accounts were published in July 1995. The CVL Annual Review 1994-95 and CVL marketing material may be obtained direct from the Business Development Unit at VLA, telephone 01932 357332. The Accounts are available from HMSO. A new marketing brochure for the VLA will be produced early in 1996.

Pesticides Safety Directorate (PSD)

Programme Code: EA1:04

(£'000)	Planned	Estimated Outturn	Plans		
	1995-96	1995-96	1996-97	1997-98	1998-99
Scheme Costs	3,448	3,158	3,597	3,597	3,597
of which payments to other agencies	3,275	3,017	3,420	3,420	3,420
Administration Costs	6,995	6,126	6,997	7,110	7,160
Receipts	-13,308	-11,794	-12,996	-13,096	-13,096
of which from core-MAFF	-6,593	-5,195	-6,162	-5,156	-5,156
Net Administration Costs	-6,313	-5,668	-5,999	-5,986	-5,936

8.21 PSD is responsible for controlling the sale, supply, storage, advertisement and use of pesticides, implementing post-approval controls over pesticides and providing policy advice on matters concerning pesticides to the Minister. It receives funding from MAFF for its policy work from Programme PP1:06. This is forecast to be £5.2m in 1995-96. The balance of its receipts are received from the agrochemical industry. This is expected to be £6.6m in 1995-96.

8.22 PSD was established as an agency on 1 April 1993. It operates under gross running cost control arrangements. Its key performance targets for 1995-96 are to:

- Recover full economic costs
- Achieve an annual efficiency gain of 2%
- Meet a range of specific targets for delivery of the various types of application for pesticide approvals
- Ensure that the scientific work of the Agency meets acceptable quality standards
- Ensure that the policy work of the Agency meets acceptable quality standards
- Carry out a Customer Satisfaction Survey.

8.23 It met four out of its seven performance targets for 1994-95, only narrowly missing the others due to relocation and a shortfall in receipts of applications for approval.

Table 33: PSD Performance against key targets 1994-95

Performance Measure	Target	Result
Cost recovery	100%	102%
Overall Efficiency Gain	2%	Not Achieved
Processing of applications: throughput	1,401	94%
speed through application streams	specified for 9 streams	met for 6 streams

In addition, PSD achieved its targets of delivering acceptable standards of scientific work and of delivering an acceptable standard of policy advice. It also successfully relocated to York in October 1994.

8.24 Progress on EC reviews has been slower than expected which accounts for the forecast reduction in 1995-96 expenditure. PSD is helping to develop European systems in partnership with the Community by evaluating one of the first agrochemicals under the new European review arrangements. PSD's work flows will in the future increasingly be determined by the requirements of the EC regime.

8.24 PSD has published its Customer Service Statement and in the summer of 1995 it employed an independent research company to undertake a Customer Satisfaction Survey. Similar surveys will be repeated at regular intervals.

8.25 PSD's Annual Report and Accounts for 1994-95 were published in July 1995. They can be obtained from HMSO book shops, price £10.90, or from PSD, Mallard House, Kings Pool, 3 Peasholme Green, York YO1 2PX.

Veterinary Medicines Directorate (VMD)

Programme Code: EA1:05

(£'000)	Planned	Estimated Outturn	Plans		
	1995-96	1995-96	1996-97	1997-98	1998-99
Scheme Costs	3,257	–	–	–	–
of which payments to other agencies	3,021	–	–	–	–
Administration Costs	3,579	7,431	7,424	7,470	7,470
Receipts	-7,199	-8,186	-8,037	-8,090	-8,090
of which from core-MAFF	-1,624	-2,698	-2,460	-2,471	-2,471
Net Administration Costs	-3,620	-755	-613	-620	-620

8.27 VMD is responsible to the Agriculture and Health Ministers for the authorisation and controls on the manufacture and marketing of veterinary medicines. It undertakes surveillance of suspected adverse reactions to veterinary medicines, monitors residues of veterinary medicines in meat and animal products, and provides policy advice to Ministers and support to MAFF on matters concerning veterinary medicines.

8.28 The VMD is required to recover the full costs of its activities from its clients. This is achieved through fees charged to the veterinary pharmaceutical companies applying for authorisation of their products and to the slaughterhouse industry for statutory residues surveillance. Policy advice and other support is charged to MAFF.

8.29 In 1994-95, the VMD met five of the six performance targets set for it.

Table 34: VMD Performance against key targets 1994-95

Performance Target	Target	Achieved
Cost recovery for licensing	100%	98.6%
Cost recovery for policy	100%	102.7%
Cost recovery for residues business	100%	100.8%
Efficiency gain	2%	12.9%
Authorisations determined within 120 clock days	75%	95%
Authorisations determined within 200 clock days	95%	100%

8.30 In accordance with the requirements of the Next Steps programme, the VMD completed its three year review in 1995. The review concluded that setting up the Agency had been an unquestioned success and that the VMD should continue as an Agency until the next review in 1999. The VMD's revised Framework Document was published in April 1995. A customer satisfaction survey of the VMD's licensing business conducted by independent consultants concluded that overall the VMD's customers were satisfied with the service it provides and more than 80% expected to use the VMD in the new European authorisation procedures.

8.31 One of the most important developments in 1995 has been the establishment in London of the European Medicines Evaluation Agency for the authorisation of human and veterinary medicines. The VMD looks forward to playing its full part to ensure that the new Agency works effectively for the benefit of animal health and welfare, the veterinary profession, the consumer and the veterinary pharmaceutical industry.

8.32 For 1995-96 the key performance targets for VMD are:

- Full cost recovery for the three business areas of authorisations, policy work and residues
- To determine 77% of new applications for authorisations within 120 clock days and 95% within 200 days
- An overall efficiency gain of 2%.

8.33 Full details of the VMD's activities and future plans are available in its Annual Report and Accounts, its Corporate Plan, its quarterly newsletter and the Medicines Act Veterinary Information Service (MAVIS). The Annual Report and Accounts for 1994-95 can be obtained from HMSO book shops, price £10.25 or from VMD, Woodham Lane, New Haw, Addlestone, Surrey KT15 3NB. The Agency's 1994 Corporate Plan and MAVIS can be obtained from the VMD.

Meat Hygiene Service

Programme Code: EA1:06

(£'000)	Planned	Estimated Outturn	Plans		
	1995-96	1995-96	1996-97	1997-98	1998-99
Administration Costs	53,521	38,230	41,035	42,146	43,291
Receipts	-39,593	-19,404	-35,030	-41,396	-42,791
of which from core-MAFF	-80	-87	-254	-259	-264
from other agencies	-561	-546	-561	-561	-561
Net Administration Costs	13,928	18,826	6,005	750	500

8.34 MHS was established as an Executive Agency on 1 April 1995, to undertake Ministers' responsibilities for fresh meat hygiene enforcement, enforcement of welfare at slaughter rules, meat inspection and health marking in licensed establishments in Great Britain. MHS Official Veterinary Surgeons (OVSs) and Meat Hygiene Inspectors (MHIs) work on site at abattoirs and make regular visits to other fresh meat plants, cold stores and cutting plants, to maintain checks on the levels of hygiene.

8.35 In accordance with EC legislation, the MHS charges full economic costs for its services. Charges are invoiced monthly. Due to the legality of certain elements of the charges being contested in the European Court of Justice some operators are withholding payment. Year end debt is consequently forecast to be £12.5m.

8.36 For the Agency's first year, Ministers made available £7.4m:

- To cover the costs of harmonising various terms and conditions inherited under the Transfer of Undertaking (TUPE) legislation
- To cover various set up costs such as training, system development and manuals
- To ease the transition to the new arrangements whilst the Agency rationalises the service through the harmonisation and Hygiene Advice Team (HAT) processes.

8.37 Two main initiatives were undertaken in the first year of operation with the predominant combined intention of ensuring consistency of hygiene inspection and animal welfare, and achieving a reduction in costs. Firstly, there was the harmonisation of terms and conditions of staff who transferred to the MHS from local authorities on its launch. Secondly, the HAT exercise was a process involving the audit of all licensed fresh meat premises. This audit evaluated standards in each plant and ensured that OVS and MHI staffing levels were appropriate and consistent.

8.38 MHS operates under gross running cost control.

8.39 The agency has published its Customer Service Statement setting out the level of service it will provide. On 31 March 1995 the Minister for Agriculture, Fisheries and Food announced that the agency's key performance targets would be:

- To achieve full cost recovery
- To comply with budgetary controls resulting from Public Expenditure Survey
- To deliver an efficiency gain of approximately 10% in relation to the total costs in 1994-95
- To increase Hygiene Assessment System (HAS) scores by an average of 10 points on the 1994-95 scores for red meat slaughterhouses whose HAS scores are less than 65
- To undertake an audit of all full throughput plants
- To establish establish HAS score baselines for all operators
- To complete animal welfare audit in plants.

8.41 The agency's performance in meeting these targets will be published in July in its first Annual Report and Accounts, for the year ending 31 March 1996. They will be available from HMSO, or from MHS Headquarters at York, telephone 01904 455501.

To operate the Common Agricultural Policy Guarantee Section within the UK as economically, efficiently and effectively as possible in accordance with policies laid down by Agriculture Ministers

CAP Market Support and IB Administration Costs

(£'000)	Estimated Outturn 1995-96	Plans 1996-97	Plans 1997-98	Plans 1998-99
CAP Market Support (UK) programme expenditure	2,753,632	2,956,904	2,930,581	2,915,536
of which Agriculture Departments	2,231,872	2,351,843	2,367,649	2,369,597
Receipts from the EC	-2,647,892	-2,917,631	-2,930,356	-2,919,322
IB Administration Expenditure				
Gross Running Costs	33,666	34,515	33,846	35,460
Other Current Costs	14,003	11,712	10,700	10,568
Capital	1,835	1,609	1,767	1,883
Appropriations-in-Aid receipts: (milk quota charges; other receipts)	-266	-407	-407	-407
Net Administration Costs	49,238	47,429	45,906	47,504
Consolidated Fund Extra Receipts: (recovery of legal costs; other receipts)	-50	-50	-50	-50

Introduction

9.1 The Intervention Board (IB) which has been an Executive Agency since April 1990 is the recognised Government body within the United Kingdom for receiving and accounting for the European Community's Common Agricultural Policy Guarantee Funds. It is also a paying agency responsible for the administration of those Guarantee schemes which provide price support to food producers, processors and traders. (The farm based schemes that provide direct payment to producers are largely administered by the Agriculture Departments). Under revised EC legislation on the clearance of accounts arrangements – Commission Regulation (EEC) No 1663/95 – which came into effect in October 1995, Ministers have additionally appointed IB as the UK Co-ordinating Body which includes the need to promote the harmonised application of Community rules within the UK.

9.2 IB's Ministerially agreed objectives which are set out in its Policy and Resources Framework Document are:

- To implement Common Agricultural Policy measures in full conformity with EC and domestic law
- To advise Agriculture Ministers and their departments of the operational, financial and administrative implications for the UK of changes in Guarantee Section schemes and proposals for new schemes
- To apply accounting and control standards appropriate to the requirements of the UK Parliament and EC institutions
- To conduct its business in full conformity with the principles of the Citizen's Charter
- In pursuit of these objectives, to achieve the key performance targets for efficiency, quality of service and financial performance set by Agriculture Ministers.

9.3 Priorities, overall plans and targets for the Survey period and beyond are set out in IB's Corporate Plan for 1995-96 to 1999-2000 which is due for publication shortly. Performance against these targets and other achievements are published in its Annual Report and Accounts which also includes information on capital assets. Copies of the Corporate Plan and the Annual Report and Accounts have been placed in the libraries of both Houses of Parliament.

Finance and Accounting

9.4 The provision for CAP schemes, which is largely reimbursed by the EC and the administration costs of IB which are cash limited are set out under Class III Vote 1 of the Supply Estimates and are summarised in this report at Annex 3. The bringing together of the CAP and administration provisions into one vote from 1996-97 has permitted both simplification and streamlining of the Supply Estimate. Information on staff numbers is set out at Annex 8.

9.5 In 1994-95 IB funded and accounted for some £2,973m on CAP schemes operated by the United Kingdom's eight paying agencies. This amounts to a decrease of 11% over 1993-94, reflecting in particular a downturn in levels of intervention activity, reduced cereal export refunds and sheep annual premium.

9.6 Whilst intervention activity is forecast to remain at low levels, GATT and Milk Quota work have added significantly to the administrative workload of IB. These changes are reflected in IB's running cost provision offset in part by planned efficiency measures including strategic contracting out of new services, market testing and business process re-engineering.

9.7 IB has a small capital provision of around £1.8m to meet annual expenditure on IT software, hardware, maintenance and communications. This is already largely contracted-out and around £0.8m is currently the subject of an external procurement exercise. A working

group has been set up to consider the extent to which private finance and challenge funding may be introduced.

9.8 During the year the Board established an audit committee with specific duties to review the practices and standards adopted in IB's financial statements and reports to ensure they reflect best practice consistent with statutory rules, Government accounting guidelines and EAGGF requirements. The Committee will also review IB's Internal Audit arrangements to confirm standards are consistent with those specified in the Government's Internal Audit Manual and any other matter where requested to do so by the Board.

9.9 The introduction of revised EC Clearance of Accounts regulations from October 1995 will provide increased assurance on member states accounting and control arrangements. These regulations required IB paying agency functions to be formally accredited and continued approval will be subject to annual reviews by an independent body. IB as UK Co-ordinating Body will act as the contact between EAGGF and the UK paying agencies on guarantee section matters, hold a full record of all accounting information required for statistical and control purposes, distribute EAGGF guidelines and communications and respond as appropriate and promote the harmonised application of Community rules within the UK. IB as the Co-ordinating Body will also appoint the independent certification authority which each year will provide an assurance on the EAGGF accounts and standards maintained by the eight paying agencies.

Scheme Activities

9.10 IB administers a wide range of EC schemes which are largely statutory and demand-led, depending on market conditions, decisions taken by the EC and the commercial judgement of producers, processors and traders. Activities include arrangements to levy, store and sell certain commodities; to aid production, processing and storage; to administer quotas; to licence, aid or levy food imports and exports; to provide for enforcement and conduct litigation; to implement the necessary legal, accounting and financial controls required by its accountability to Parliament and to the EC.

9.11 Current forecasts suggest there will be little, if any, intervention buying activity in the immediate future and stocks are likely to be disposed of. Where activity has ceased, staff have been reduced to the minimum level consistent with being able to keep processes and systems abreast of the latest regulatory requirements. A small rise in grain stocks is anticipated in 1997-98, but beef is expected to largely remain out of intervention until towards the very end of the Survey period.

9.12 A major area of growth has been the assumption by IB of responsibility for the maintenance of the milk quota register, work previously undertaken by the Milk Marketing Boards (MMBs). The abolition of the MMBs led to substantial work involving the take-over of data from the marketing boards. The number of first purchasers of milk increased substantially as did the number of requests for the permanent or temporary transfer of quota. 1994-95 also

saw a significant increase in the work involved in the collection of the milk supplementary levy. The amount to be collected from the increased number of purchasers was more than twice the previous highest figure. Implementing GATT has also had a significant impact on IB work with the introduction of compulsory import and export licensing and advance fixing of refund rates in most sectors increasing the volumes of import and export licences and securities.

9.13 IB continued to maintain a high level of activity to reduce the potential for fraud and irregularity. Regional verifiers carried out around 8,000 visits to check records and processes against claims. The Anti-Fraud Unit completed about 600 Scrutiny visits and pursued cases following these visits, as well as leads from operational areas within IB and calls on the new confidential freephone fraud line from members of the public to give information concerning potential irregularities. Links continue to be developed with other UK Agencies and control bodies of other member states and there has been active participation in discussions on various EC proposals for anti-fraud legislation. Within IB anti-fraud arrangements have been generally further enhanced including the strengthening of a scheme control monitoring group. For 1995-96 the Agency converted its yield/cost ratio of anti-fraud activities from a primary internal target to one of its key targets. Towards the end of 1995, the NAO put a report to the Parliamentary Accounts Committee on IB's administration of the CAP schemes and the methods used to combat irregularity and fraud. It found that IB complied with the EC requirements in its implementation of schemes and recommended ways in which the methods might be further developed.

Performance Indicators

9.14 Each year IB reassesses the targets for its key performance indicators which are confirmed with Treasury. For 1994-95 IB achieved five of its seven key performance targets and further details are set out in Table 35. The targets for speed and accuracy of claims processing, running cost efficiency gains, procurement savings and the avoidance of an excess vote were met. The outcome in respect of the performance indicators on EAGGF disallowance is provisional pending the Commission decision on the clearance of the 1992 EAGGF accounts. The current figure of 0.96% may well be reduced. Productivity declined to -0.5% against a target of 6.0% mainly because of the assumption by the Agriculture Departments of responsibility for revised support arrangements for certain agricultural products. Remanet work on schemes in those areas delayed the introduction of measures that in 1995-96 are already beginning to show improvements in productivity. Table 36 sets out the output and productivity achieved in recent years and the forecast for the period to 1998-99. IB complies with the CBI prompt payment code and continues to monitor its invoice payment times against a target of settlement in accordance with agreed contractual conditions, or where no such conditions exist, within 30 days of receipt of the goods and services or the presentation of valid invoices, whichever is later. Monitoring of performance first began in 1993-94 when 98.3% of valid bills received were paid within target. A slightly lower performance of 96.3% was achieved in 1994-95 against a target for that year of 98.5%.

Table 35: Intervention Board performance against key targets

Performance Target	1990-91		1991-92		1992-93		1993-94		1994-95	1995-96
	Target	Performance	Target	Performance	Target	Performance	Target	Performance	Target	Target
% of claims processed to deadlines	–	–	–	–	100.0	94.6	98.0	99.9	98.5	98.5
% of claims processed correctly	98.0	97.0	98.0	97.7	98.0	99.1	98.5	98.8	98.5	98.5
% annual running cost efficiency gains	2.0	10.5	2.0	-12.0	2.0	1.0	2.5	4.6	2.5	2.5
% improvement in index of productivity	–	–	3.0	-7.5	5.0	4.0	5.0	8.0	6.0	6.0
Disallowance as % EAGGF funds handled	0.50	0.46	0.43	(0.10) Recovery	0.40	0.08	0.40	0.03	0.40	0.40
% value for money savings in procurement of goods and services	3.8	12.0	2.5	9.1	5.0	6.2	5.0	6.5	5.0	6.0
To maintain expenditure within Vote provision, cash and running cost limits	met		met		met		met		met	met

Table 36: Intervention Board running costs, outputs and productivity

	89-90 Outturn	* 90-91 Outturn	* 91-92 Outturn	* 92-93 Outturn	93-94 Outturn	94-95 Outturn	95-96 Forecast	96-97 Estimate	97-98 Estimate	98-99 Estimate
Gross Running Costs (£'000) [1,2,3]	22,731	23,915	27,710	30,291	30,058	29,848	31,371	32,740	33,406	34,482
Total Manpower [4]	1,046	992	1,033	1,056	985	1,018	1,000	941	933	929
Aggregate Output (000) [5]	*	*	*	4,397	4,429	4,145	4,246	4,171	4,103	4,096
Output Index	100	108	104	111	112	113	115	113	112	111
Productivity [6]	*	*	*	4,164	4,497	4,072	4,246	4,432	4,398	4,409
Productivity Index	100	114	106	110	119	118	123	128	127	128

* Actual figures for 1989-90 to 1991-92 are not directly comparable with those for later years. Indices are calculated by chaining 1989-90 to 1991-92 increases with those for later years.

1. Running costs exclude VAT recoveries.
2. One-off costs of the relocation, early departure costs and certain IT projects are excluded.
3. Superannuation costs are included in all years.
4. Total manpower includes overtime and casuals.
5. Aggregate output is based on unit of work to process one export claim line.
6. Productivity is Aggregate Output/Total Manpower.

Citizen's Charter

9.15 IB remains committed to the principles of the Citizen's Charter and continues to maintain and develop initiatives to improve customer service. This includes:

- Trade consultation group meetings for each major customer area
- The issue of a revised customer care guide
- The availability of IB helplines which are open on weekdays 8.30am - 5.00pm. Details of these may be found on page 150 which sets out IB's organisation and management group
- In-house quality of service awards and service improvement teams to encourage improvements in operational efficiency and customer service.

9.16 IB obtained a second 'Inside Write' award from the Plain English Campaign for a training booklet produced in-house. The first steps were taken towards IB obtaining the Investors in People award following successful management and staff surveys and middle management training was enhanced in order to underpin knowledge for the National Vocational Qualification (NVQ) programme in management. Summary information about recruitment exercises and progress on IB's equal opportunity objectives, together with associated statistical information will be provided in the 1995-96 Annual Report. IB renewed its British Standards Institution (BS EN ISO9001) and TICKIT registrations. These provide standards against which IB measures its management and implementation of Information Systems.

Report of Referrals to the Parliamentary Commissioner for Administration

9.17 During the financial year 1994-95 one complaint was referred to the Parliamentary Commissioner for Administration (PCA). It concerned problems with the implementation of the milk quota arrangements and in particular the handling of an application for information on quotas. The case was resolved early in 1995-96 and compensation of £14,000 was awarded. Management and staff were reminded of the need to ensure that all internal instructions were promulgated quickly and were fully understood by those responsible for their implementation. There were no other cases that involved the payment of compensation for maladministration. The IB's independent adjudicator for customer complaints about the administration of its schemes received two cases in 1994-95. In one case, IB was held to be partly to blame and the complainant's milk levy liability was halved to £10,554. In the other case, the adjudicator found that IB's actions were correct.

Market Testing

9.18 IB continued to progress its market testing programme. Six market tests were completed in 1994-95 producing savings of about £0.2m a year. The contracts covered the external supply of analytical services in connection with crops and livestock products, accounting systems development and banking and travel services. In-house teams were successful in gaining the contracts for document handling and internal audit. Cumulative savings from

market testing are estimated at £1.8m annually. Market tests where an award of contract is anticipated in 1995-96 include further internal audit work, computer operations, the certification of EAGGF accounts and recruitment.

Pay and Grading

9.19 A project board and project team were established in 1994-95 to design and implement a revised pay and grading system and take responsibility for delegated pay bargaining. A pay agreement and pay settlement was successfully concluded in 1995. A job evaluation agreement and a pilot job evaluation exercise were also concluded. Work began on a major job evaluation exercise and the foundations for a new pay and grading system for staff at Grade 6 and below. The aim is to introduce the new system in 1997-98.

Equal Opportunities

9.20 IB continues to be committed to equal opportunity policies both via its recruitment and through its Programme for Action for Women, staff of ethnic minority origin and those with disabilities. Summary information about recruitment and progress on IB's equal opportunities objectives, together with associated statistical information will be provided in the 1995-96 Annual Report.

Open Government

9.21 Formal arrangements are in place within IB to implement Government policy on Open Government. The policy requires the IB to respond positively to any reasonable request for information relating to its policies, actions and decisions and to supply promptly and in convenient form, information relating to matters within its responsibility which is not published. A small charge is made when additional work needs to be undertaken to meet the request. An explanatory leaflet and application form are available on request. IB received only one request for information during the 1994-95 period.

Environmental Matters

9.22 In December 1994 a progress report on IB's 1993 Green Housekeeping policy was issued to staff. This indicated that savings had been made on gas and electricity costs and consumption through the re-negotiation of supply contracts and energy saving initiatives. 1996 will see a change of electricity supplier for some buildings resulting in expected savings of around 15%. Awareness programmes were launched to ensure that staff were aware of the need to recycle paper, cans, glass, batteries, etc, and signs displayed to remind staff of the need to be economical with water usage. Staff wishing to cycle to work have been helped through the provision of secure cycle storage. In August 1995 IB announced its plans to rationalise its Reading estate. The first phase of this will be the move of the majority of staff from its two main buildings into a modern, efficient building by June 1996.

The Management Group



* The Chief Executive is also a board member

Intervention Board helplines

External Trade	Imports and Exports	0191-226 5060
Internal Market	Livestock Products	01734 531640
	Crops	01734 531999
	Milk Quotas	01734 531888
	Trader Registration	01734 531405

Ministry of Agriculture, Fisheries and Food and the Intervention Board

£ million	1990-91 outturn	1991-92 outturn	1992-93 outturn	1993-94 outturn	1994-95 outturn	1995-96 estimated outturn	1996-97 plans	1997-98 plans	1998-99 plans
A Intervention Board and EC Expenditure									
Central Government Expenditure									
Voted in Estimates									
- Market support – IB	1,231	1,150	1,014	1,045	438	506	588	549	532
- Market support – MAFF	185	200	354	1,022	1,204	1,495	1,603	1,621	1,623
- Administration	39	55	43	45	39	49	47	46	48
Other (non-voted)									
- Market support – IB									
- Market support – MAFF			#[1]						
TOTAL CENTRAL GOVERNMENT EXPENDITURE [2]	**1,455**	**1,405**	**1,411**	**2,112**	**1,682**	**2,050**	**2,239**	**2,215**	**2,202**
Central Government grants to local authorities									
Voted in Estimates									
Current grants outsideAEF [4]									
- EC grants for school milk and milk products	31	33	36	31	16	16	17	14	14
TOTAL INTERVENTION BOARD AND EC EXPENDITURE (A)	**1,486**	**1,438**	**1,447**	**2,143**	**1,698**	**2,066**	**2,256**	**2,230**	**2,216**
B Domestic Agriculture, Fisheries and Food									
Central Government Expenditure									
Voted in Estimates									
Programmes to protect the public	57	58	57	64	69	101	89	88	88
Demand determined costs of programmes to protect the public	48	57	55	59	37	25	24	22	20
Programmes to protect and enhance the rural and marine environment	62	113	129	138	105	100	119	129	139
Programmes to improve the economic performance of the agriculture, fishing and food industries	160	153	180	185	177	210	196	191	163
Demand determined costs of programmes to improve the economic performance of the agriculture, fishing and food industries	5	19	24	17	6	5	8	6	6
Programmes to protect farm animals	3	3	4	4	4	5	5	5	5
Programmes to ensure the best use of internal resources in support of the Ministry's business	136	153	162	191	188	201	185	162	162
Operational costs of the Ministry's Executive Agencies	89	36	12	7	2	20	-1	-9	-10
Research and development	61	100	110	112	116	122	116	116	115
ERDF						#			
Total voted in Estimates	**621**	**692**	**733**	**779**	**704**	**789**	**742**	**709**	**688**
Other (non-voted)									
Programmes to protect the public [3]	144	160	192	214	177	185	186	186	186
Programmes to protect and enhance the rural and marine environment	#	-1	#	#					
Programmes to improve the economic performance of the agriculture, fishing and food industries		-3	-2	#	-1	-1			
Civil defence (emergency and strategic food services)		#		-4	#				
Total other (non-voted)	**144**	**156**	**190**	**209**	**176**	**184**	**186**	**186**	**186**
Of which:									
- Central government's own expenditure	144	156	190	209	176	184	186	186	186
- Public corporations (excluding nationalised industries)									
TOTAL CENTRAL GOVERNMENT EXPENDITURE [2]	**764**	**848**	**923**	**988**	**880**	**973**	**928**	**895**	**875**
Of which:									
- Central government's own expenditure	764	848	923	988	880	973	928	895	875
- Public corporations (excluding nationalised industries)									

Annex 1: Cash Plan Table

£ million	1990-91 outturn	1991-92 outturn	1992-93 outturn	1993-94 outturn	1994-95 outturn	1995-96 estimated outturn	1996-97 plans	1997-98 plans	1998-99 plans
Central Government grants to local authorities									
Voted in Estimates									
Capital grants									
- Programmes to protect the public	17	22	15	21	25	33	27	27	27
- Programmes to improve the economic performance of the agriculture, fishing and food industries	1	#	#	#	#	#	1	1	1
Total voted in Estimates	**17**	**23**	**15**	**20**	**26**	**33**	**27**	**27**	**27**
Other (non-voted)									
Current grants outside AEF [4]									
Programmes to protect the public	-144	-161	-193	-215	-178	-185	-186	-186	-186
Total central government grants to local authorities	-127	-139	-178	-195	-152	-152	-159	-159	-159
Of which:									
Current outside AEF [4]	-144	-161	-193	-215	-178	-185	-186	-186	-186
Capital	17	23	15	20	26	33	27	27	27
Credit approvals [5]									
- Programmes to protect the public	13	14	12	13	11	17	14	15	15
- Programmes to improve the economic performance of the agriculture, fishing and food industries									
Total credit approvals	**13**	**14**	**12**	**13**	**11**	**17**	**14**	**15**	**15**
Total central government support to local authorities	**-114**	**-125**	**-166**	**-182**	**-141**	**-135**	**-144**	**-144**	**-144**
Nationalised industries' external finance [6]									
Water authorities (land drainage)									
- Voted in Estimates									
TOTAL DOMESTIC AGRICULTURE FISHERIES AND FOOD (B)	**651**	**723**	**756**	**806**	**739**	**839**	**783**	**751**	**730**
TOTAL MINISTRY OF AGRICULTURE, FISHERIES AND FOOD AND THE INTERVENTION BOARD (A+B)	**2,137**	**2,160**	**2,204**	**2,949**	**2,436**	**2,904**	**3,039**	**2,980**	**2,946**

(1) Cash amounts below £0.5m are represented by #.

(2) The operational and programme costs of the CAP reform scheme are shown against the Agricultural Department's expenditure for 1993-94 to 1998-99 as appropriate. Discussions on the long term Departmental responsibilities for the operation of the schemes continue.

(3) Includes expenditure by the National Rivers Authority on land drainage etc financed partly by levies on local authorities which are recorded as a negative item under central government grants to local authorities.

(4) Aggregate External Finance.

(5) Credit approvals except those for flood and coast protection and harbour improvements are included within a block managed by the Department of the Environment.

(6) External Financing Requirement.

Annex 2: Reconciliation between Cash Plan Table and Estimates

£ million	1994-95 outturn	1995-96 estimated outturn	1996-97 plans
VOTED EXPENDITURE INCLUDED IN THE CONTROL TOTAL	**2,427**	**2,888**	**3,025**
Ministry of Agriculture, Fisheries and Food			
Agency payments on behalf of the European Community for the European Regional Development Fund			
Programmes to protect and enhance the rural and marine environment	-11	-16	-20
Programmes to improve the economic performance of the agriculture, fishing and food industries			
Programmes to improve the economic performance of the agriculture, fishing and food industries (demand determined)	-1,193	-1,479	-1,583
Total Ministry of Agriculture, Fisheries and Food	**-1,204**	**-1,495**	**-1,603**
Intervention Board			
Payments to other government departments or their grant-aided bodies	1,781	2,232	2,352
Total Intervention Board	**1,781**	**2,232**	**2,352**
TOTAL VOTED EXPENDITURE NOT INCLUDED IN THE CONTROL TOTAL	**576**	**737**	**749**
EC RECEIPTS			
EAGGF (Guarantee) – MAFF	-1	-1	-1
EAGGF (Guarantee) – IB(1)	-2,235	-2,643	-2,914
EAGGF (Guidance)	-16	-23	-22
Other receipts		-1	-1
FIFG	-8	-7	-9
ERDF			
TOTAL EC RECEIPTS	**-2,259**	**-2,674**	**-2,946**
TOTAL VOTED EXPENDITURE	**744**	**951**	**828**

(1) Of which Vote 1 Supply Estimate Part II Line C Part III.

Annex 3: Expenditure by IB on CAP in the UK

£ million	1990-91 outturn	1991-92 outturn	1992-93 outturn	1993-94 outturn	1994-95 outturn	1995-96 estimated outturn	1996-97 plans	1997-98 plans	1998-99 plans
Schemes administered by the Intervention Board									
Cereals									
Intervention Purchases	14.1	8.6	56.0	177.7	5.1	0.6	16.8	20.0	7.0
- storage etc costs	9.4	8.7	12.0	22.7	18.6	13.1	4.2	5.0	5.0
- sales receipts [1]	-8.3	-16.0	-21.1	-16.7	-96.5	-50.8	-6.4	-16.4	-11.8
Other internal market – expenditure	22.5	28.9	26.9	22.2	12.0	13.2	11.6	10.7	10.1
Other internal market – receipts [1]	-101.0	-120.7	-49.6	-0.8	-0.1	-0.1	-0.1	-0.1	-0.1
External market trade	184.1	216.3	232.1	194.8	128.8	76.4	63.0	58.6	56.6
Cereals total	**120.8**	**125.8**	**256.3**	**399.8**	**67.8**	**52.4**	**89.0**	**77.8**	**66.8**
Oilseeds									
Internal market measures	**236.2**	**207.3**	**125.9**	**163.0**	**2.1**	**0.8**	**0.6**	**0.6**	**0.6**
Sugar									
Internal market measures	41.7	60.5	50.5	68.9	52.8	52.9	50.1	50.1	50.1
External market measures	69.0	37.2	79.4	85.2	73.8	78.8	84.6	84.6	84.6
Sugar total	**110.7**	**97.7**	**129.9**	**154.1**	**126.5**	**131.7**	**134.7**	**134.7**	**134.7**
Beef and Veal									
Intervention purchases	280.4	261.1	201.4	38.9	-0.3	3.8	10.1	10.1	10.1
- storage etc costs	30.8	45.0	44.4	21.8	7.9	2.8	1.9	1.9	1.9
- sales receipts [1]	-14.0	-42.0	-60.7	-119.0	-100.0	-26.3	-8.0	-7.0	-7.0
Other internal market measures	40.2	37.8	29.4	1.2	0.7	1.3	1.4	1.5	1.5
External market trade	20.1	22.3	38.4	68.2	82.2	95.2	72.9	73.7	70.0
Beef total	**357.5**	**324.2**	**252.9**	**11.1**	**-9.5**	**76.8**	**78.2**	**80.3**	**76.5**
Milk and Milk Products									
Intervention purchases	62.6	20.4	3.9	10.0	9.8	2.2	3.8	3.9	3.9
- storage etc costs	1.4	2.5	1.1	0.9	0.6	0.2	0.2	0.2	0.2
- sales receipts [1]	0.0	-18.5	-11.5	-9.2	-21.0	-2.7	-2.9	-2.9	-2.9
Other internal market – expenditure	66.7	73.3	65.8	95.2	100.9	113.2	117.4	92.9	96.0
Other internal market – receipts [1]	-32.6	-42.0	-38.8	-8.0	-21.6	-44.3	-0.1	-0.2	-0.2
External market trade	74.9	111.5	111.6	116.6	110.6	91.9	82.6	75.3	68.0
Milk products total	**173.0**	**147.2**	**132.1**	**205.5**	**179.4**	**160.5**	**201.0**	**169.2**	**164.9**
Pigmeat									
Internal market measures	–	0.2	–	0.1	0.0	0.2	0.3	0.3	0.3
External market trade	6.6	2.1	2.1	2.5	2.5	1.7	1.5	1.5	1.5
Pigmeat total	**6.6**	**2.3**	**2.1**	**2.5**	**2.5**	**1.9**	**1.8**	**1.8**	**1.8**
Sheepmeat									
Other internal market – expenditure	152.4	174.2	3.0	1.0	0.6	0.3	3.0	3.0	3.0
Other internal market – receipts [1]	-26.0	-34.4	-2.1	-0.6	-3.8	-1.2	0.0	0.0	0.0
Sheepmeat total	**126.5**	**139.8**	**0.9**	**0.4**	**-3.2**	**-0.9**	**3.0**	**3.0**	**3.0**
Others									
Internal market measures	22.2	15.1	24.8	44.2	18.3	25.2	31.0	31.0	31.0
External market trade	79.6	95.3	94.5	69.8	58.4	59.1	53.6	53.6	53.6
Miscellaneous (mainly VAT recovery) [1]	-1.9	-4.3	-5.4	-5.6	-4.1	-1.8	-4.7	-3.3	-1.4
Others total	**99.9**	**106.1**	**113.9**	**108.4**	**72.6**	**82.4**	**79.8**	**81.3**	**83.3**
Sub total	**1,231.2**	**1,150.4**	**1,014.0**	**1,044.9**	**438.3**	**505.6**	**588.1**	**548.6**	**531.6**
Payments to local authorities (School milk)	31.0	32.7	35.8	31.4	15.7	16.2	17.0	14.3	14.3
INTERVENTION BOARD TOTAL	**1,262.1**	**1,183.1**	**1,049.8**	**1,076.2**	**454.0**	**521.8**	**605.1**	**562.9**	**545.9**
[1] These receipts are classed as Appropriations in Aid and total	-183.8	-277.9	-189.2	-159.9	-247.1	-127.2	-22.2	-29.9	-23.3
Other Appropriations in Aid receipts not specifically identified	-65.5	-12.9	-33.6	-4.9	-1.6	-8.5	-1.9	-3.4	-3.4
Total Appropriations in Aid					**-248.7**	**-135.7**	**-24.1**	**-33.3**	**-26.7**

Annex 3: Expenditure by IB on CAP in the UK

£ million	1990-91 outturn	1991-92 outturn	1992-93 outturn	1993-94 outturn	1994-95 outturn	1995-96 estimated outturn	1996-97 plans	1997-98 plans	1998-99 plans
Schemes administered by Agriculture and other departments									
Arable Crops									
Arable Area Payments Scheme									
- cereals	–	–	–	387.4	549.5	821.8	763.8	763.8	763.8
- oilseeds	–	–	–	153.5	151.7	173.8	207.2	207.2	207.2
- linseed	–	–	–	–	26.1	28.1	68.3	68.3	68.3
- protein	–	–	–	101.9	80.0	73.9	87.4	87.4	87.4
- set-aside	–	–	–	141.8	199.7	207.4	222.5	222.5	222.5
Arable crops total	**–**	**–**	**–**	**784.6**	**1,007.0**	**1,304.9**	**1,349.1**	**1,349.1**	**1,349.1**
Cereals									
Repayment of co-responsibility levies	19.2	1.8	5.5	†	†	–	–	–	–
Beef and Veal									
Suckler cow premium	73.7	87.5	90.4	65.7	169.9	202.4	251.5	250.4	250.4
Special premium	6.2	7.3	6.2	88.7	161.6	246.7	198.0	241.8	241.8
Deseasonalisation (NI)	–	–	–	5.1	4.6	0.1	5.2	5.2	5.2
Beef and veal total	**79.9**	**94.8**	**96.6**	**159.5**	**336.1**	**449.1**	**454.7**	**497.4**	**497.4**
Milk and Milk Products									
Compensation for quota cuts etc	59.6	54.6	44.3	79.0	9.8	–	–	–	–
School Milk (NI)	0.7	0.8	0.9	0.9	0.6	0.6	0.6	0.6	0.6
Milk total	**60.3**	**55.4**	**45.2**	**79.9**	**10.4**	**0.6**	**0.6**	**0.6**	**0.6**
Sheepmeat									
Annual premium on ewes	**201.8**	**288.5**	**338.1**	**486.7**	**394.9**	**435.8**	**507.5**	**468.0**	**468.0**
Others									
Orchard grubbing scheme	–	1.4	0.7	0.5	2.6	7.7	†	†	†
Oilseeds transitional scheme	–	–	163.7	4.6	–	–	–	–	–
Miscellaneous	–	–	–	–	0.0	-0.1	-5.7	1.9	1.3
Agri-environmental measures (1)									
- Environmentally sensitive areas	–	–	–	13.1	10.8	16.2	18.9	21.8	25.2
- Nitrate sensitive areas (pilot scheme)	–	–	–	0.4	0.2	0.2	0.2	0.2	0.2
- Nitrate sensitive areas	–	–	–	–	–	0.8	1.6	1.6	1.6
- Livestock extensification (pilot)	–	–	–	0.2	0.1	0.1	†	–	–
- Moorland Scheme	–	–	–	–	–	†	3.0	2.7	2.5
- Countryside access scheme	–	–	–	–	–	†	1.5	1.5	1.5
- Habitat Scheme	–	–	–	–	–	0.5	1.8	2.0	2.0
- Organic Scheme	–	–	–	–	†	0.2	0.5	0.7	0.7
- Countryside Stewardship Scheme	–	–	–	–	1.8	2.9	3.6	3.4	2.2
Tir Cymen	–	–	–	–	1.2	0.9	1.3	1.6	1.6
Forestry measures (1)									
- Farm woodland scheme	–	–	–	0.4	0.4	0.4	0.5	0.5	0.5
- Farm woodland premium scheme	–	–	–	0.3	1.7	2.0	3.1	3.9	4.4
- Woodland grant scheme	–	–	–	4.4	13.4	9.5	9.9	10.9	10.9
Others total	**–**	**1.4**	**164.4**	**23.9**	**32.2**	**41.4**	**40.0**	**52.6**	**54.5**
AGRICULTURE AND OTHER DEPARTMENTS TOTAL (2)	**361.3**	**441.9**	**649.8**	**1,534.5**	**1,780.6**	**2,231.9**	**2,351.8**	**2,367.6**	**2,369.6**
(2) Expenditure is net of certain recoveries classed as Appropriations in Aid of	†	-0.7	-3.2	-5.0	-7.7	-4.8	-2.1	-2.1	-2.1

(1) This Annex only includes the CAP element of expenditure on the schemes concerned. Total expenditure is shown under the individual programmes in Chapter 3.

Annex 3: Expenditure by IB on CAP in the UK

£ million	1990-91 outturn	1991-92 outturn	1992-93 outturn	1993-94 outturn	1994-95 outturn	1995-96 estimated outturn	1996-97 plans	1997-98 plans	1998-99 plans
AGRICULTURE AND OTHER DEPARTMENTS TOTAL (see previous page)	**361.3**	**441.9**	**649.8**	**1,534.5**	**1,780.6**	**2,231.9**	**2,351.8**	**2,367.6**	**2,369.6**
Of which:									
- MAFF	184.5	199.3	354.2	1,037.0	1,203.6	1,534.5	1,603.2	1,620.7	1,622.6
- SOAFD [1]	70.4	93.7	132.3	242.4	285.0	366.4	387.5	384.2	384.2
- WOAD [1]	57.9	88.8	106.6	160.3	160.4	190.2	210.2	203.2	203.2
- DANI [1]	47.8	59.3	55.8	90.1	115.2	127.7	139.6	146.9	146.9
- Forestry Commission [1]	–	–	–	3.8	12.8	8.9	9.5	10.5	10. 5
- Others	0.7	0.8	0.9	0.9	3.6	4.4	1.9	2.2	2.2
CAP SPENDING IN UK	**1,623.5**	**1,625.0**	**1,699.6**	**2,610.7**	**2,234.6**	**2,753.6**	**2,956.9**	**2,930.6**	**2,915.5**
Of which:									
- Nationally funded elements	26.5	23.9	23.3	2.7	0.2	0.5	15.4	0.4	0.5
UK receipts from EC for CAP expenditure (monthly payments 2 months in arrears)	**1,584.3**	**1,725.7**	**1,524.8**	**2,806.5**	**2,411.2**	**2,647.9**	**2,917.6**	**2,930.4**	**2,919.3**
Of which:									
- Appropriations in Aid	1,551.9	1,684.5	1,486.6	2,545.4	2,234.6	2,640.8	2,913.7	2,928.4	2,917.8
- CFER [2]	32.4	40.9	39.3	261.1	176.6	7.1	3.9	2.0	1.5

Calendar year £ million	1990 outturn	1991 outturn	1992 outturn	1993 outturn	1994 outturn	1995 estimated outturn	1996- plans	1997 plans	1998 plans
Total CAP Spending in the EC*	**19,194**	**22,349**	**22,722**	**27,589**	**25,263**	**27,873**	**34,615**	**N/A**	**N/A**
% of EC CAP spending in UK	7	7	8	8	9	9	8	N/A	N/A
Total EC Budget*	**30,758**	**37,643**	**41,449**	**50,485**	**50,950**	**60,955**	**69,426**	**N/A**	**N/A**
% of EC Budget represented by CAP	62	59	55	54	50	50	50	N/A	N/A
% of EC Budget spent in UK	9	8	8	8	8	7	7	N/A	N/A

– Scheme not in operation

† Expenditure less than £50,000

* From 1995, the membership of the EC expanded to 15, with the accession of Austria, Finland and Sweden

(1) This expenditure is included in the main cash plans in the Scottish, Welsh and Northern Ireland departmental reports. Forestry Commission expenditure is included in the Scottish departmental report.

(2) Consolidated Fund Extra Receipts which comprise:

EC receipts as above	32.4	40.9	39.3	261.1	176.6	7.1	3.9	2.0	1.5
Other receipts mainly forfeited securities	2.1	3.4	0.9	1.8	2.4	2.3	1.3	1.3	1.3

Annex 4: Appropriations in Aid (AAs) and Consolidated Fund Extra Receipts (CFERs)

(£'000)

Estimates Line	Receipts in respect of	Economic category (HM Treasury classification)	1994-95 outturn AAs	1994-95 outturn CFERs	1995-96 estimated outturn AAs	1995-96 estimated outturn CFERs	1996-97 estimate AAs	1996-97 estimate CFERs
AZ: Programmes to protect the public (PP)	SCOOP *, sale of stocks from the food stockpile, recovery of VAT relating to the stockpile, milk hygiene and radiological protection of food, brucellosis, tuberculosis and salmonella eradication		-27,536	-2,143	-2,903	-145	-4,791	–
	of which:	Changing the level of stocks and work in progress (F10)	-24,459		-1,171			
		Current transfers abroad (ie EC receipts not via IB) (D20)			-1			
		Provision of goods and services (B35)	-2,789		-1,567		-4,791	
		VAT receipts (NB35)	-287		-164			
BZ: Programmes to protect the public (PP) (demand determined) ***	Recovery of VAT relating to meat hygiene work and Local Veterinary Inspectors' fees and brucellosis and tuberculosis eradication		-1,357	–	-1,407	–	-1,049	–
	of which:	Provision of goods and services (B35)	-402		-383		-415	
		VAT receipts (NB35)	-53		-67		-72	
		Other receipts (C10, G10, H20)**	-902		-957		-562	
CZ: Programmes to protect and enhance the rural and marine environment (RE)	HLCAs, FCGS, Agricultural Improvement and Farm Diversification Schemes, aquatic environment extensification; countryside management		-11,126	-443	-10,133	–	-8,392	–
	of which:	Current transfers abroad (ie EC receipts not via IB) (D20)	-7,871		-6,726		-6,464	
		Provision of goods and services (B35)	-3,256		-3,408		-1,928	
DZ: Programmes to improve the economic performance of the agriculture, fishing and food industries (CE)	Remote sensing, reimbursement of grants to LFAs and producer organisations, sugar and tobacco, sheep and livestock extensification, plant varieties and seeds, organic farming, horticulture, land use and tenure, fish marketing, fishery structures, fish farming and shellfish production, the Royal Botanic Gardens Kew, science policy, the prevention and control of animal diseases and plant health		-14,679	-1,591	-16,888	-822	-33,660	–1
	of which:	Current transfers abroad (ie EC receipts not via IB) (D20)	-6,272		-5,339		-24,653	
		Provision of goods and services (B35)	-7,728		-10,985		-8,276	
		VAT receipts (NB35)	-0.7		-463		-463	
		Other receipts (C10, G10, H20)**	-678		-101		-268	

Annex 4: Appropriations in Aid (AAs) and Consolidated Fund Extra Receipts (CFERs)

Estimates Line	Receipts in respect of	Economic category (HM Treasury classification)	1994-95 outturn AAs	1994-95 outturn CFERs	1995-96 estimated outturn AAs	1995-96 estimated outturn CFERs	1996-97 estimate AAs	1996-97 estimate CFERs
EZ: Programmes to improve the economic performance of the agriculture, fishing and food industries (CE) (demand determined) ***	Sales of anthrax vaccine, and sales of carcases		-0.1	–	-1	-108	-3	–
	of which:	Other receipts (C10, G10, H20)**	-0.1		-1		-3	
FZ: Programmes to protect farm animals (AW)			–	–	–	–	–	–
GZ: Programmes to ensure the best use of internal resources in support of the Ministry's business (IR)	Press and information services, legal services, economics and statistics, agency support and the Citizen's Charter, financial planning and control, staff inspection and consultancy, management of accommodation and property services, the management of human resources, VAT refunds on contracted out services		-9,549	–	-12,295	-3	-8,430	–
	of which:	Sale of lands or buildings (E10)	–		–		–	
		Sale of other capital assets (E15)	-201		-187		-3,866	
		Provision of goods and services (B35)	-8,037		-10,749		-3,208	
		VAT receipts (NB35)	-1,311		-1,359		-1,356	
HZ: Programmes of the Ministry's Executive Agencies (EA)	Receipts from MAFF, Other Government's Departments, the private sector, repayment of car loans with respect to the Meat Hygiene Service, and VAT refunds		-151,383	-	-168,803	–	-190,844	–
	of which:	Provision of goods and services (B35)	-149,389		-166,538		-190,811	
		VAT receipts (NB35)	-1,998		-2,265		-33	

* SCOOP is short for the Scientific Co-operation Programme.

** Other receipts include the sale of carcases, sales of tuberculin and anthrax vaccine, SFIA repayment of loan capital and refund of grants.

*** Programmes with demand determined expenditure are PP1:03, PP1:04, PP2:01, PP2:02, CE1:03, CE1:20, CE1:21, CE1:24, CE2:02, CE2:22 and CE3:01. In 1995-96, Programmes RE1:01 and IR2:01 also had demand-determined expenditure, but to ensure consistency with the 1996-97 Supply Estimates, receipts from these Programmes can instead be found in lines CZ and GZ.

CFERs in 1995-96 were in respect of interest on loans to the SFIA, recovery of prior year overpayment, accrued interest on miscellaneous receipts, receipts from the Covent Garden Market Authority, recovery of interest on payments under the Five Year Set-Aside Scheme, and Excess refunds under the Wool Guarantee (UK).

Annex 5: Estimated Provision for 1996-97 by Programme

The Ministry of Agriculture, Fisheries and Food's responsibilities cover the land, sea and other resources used in the production of food, the industries which produce and supply it, and the safety and quality of the final product. In implementing the individual Programmes the Ministry strives to achieve an appropriate balance where there are any conflicts between its Aims. MAFF aims to maximise value for money for all Programmes and to keep costs down in ways consistent with the relevant UK and EC legal obligations.

	MAFF Scheme Costs	Admin. Costs	Receipts*	Total
To Protect the Public (PP) (Sections A, B and J of the Estimates)				
by promoting food safety				
PP1:01 Food Safety	2,394	3,517		5,911
PP1:02 Milk Hygiene	1,304	130	-1,299	135
PP1:03 Meat Hygiene	1,327	4,463	-588	5,202
PP1:04 Bovine Spongiform Encephalopathy (BSE)	12,281	3,699		15,980
PP1:05 Veterinary Medicines (Core MAFF)	2,460	191	-148	2,503
PP1:06 Pesticides Safety (Core MAFF)	6,162	259		6,421
PP1:07 Radiological Protection (Food)	1,621	1,617	-3,056	182
PP1:08 Food Quality & Nutrition	1,877	2,292		4,169
PP1:09 Feedingstuffs & Fertiliser Standards	239	581		820
Sub-Aim Total	**29,665**	**16,749**	**-5,091**	**41,323**
by taking action against diseases with implications for human health				
PP2:01 Brucellosis & Tuberculosis Eradication	16,304	8,706	-564	24,446
PP2:02 Salmonella & other Zoonoses	4,369	1,472	-149	5,692
Sub-Aim Total	**20,763**	**10,178**	**-713**	**30,138**
by planning to safeguard essential supplies in an emergency				
PP3:02 Emergencies	27	442		469
Sub-Aim Total	**27**	**442**		**469**
by promoting action to alleviate flooding & coastal erosion				
PP4:01 Flood & Coastal Defence	66,283	2,018	-36	68,265
Supplementary Credit Approvals	14,000	–	–	14,000
Sub-Aim Total	**80,283**	**2,018**	**-36**	**82,265**
Aim Total	**130,648**	**29,387**	**-5,840**	**154,195**
To Protect & Enhance the Rural & Marine Environment (RE) (Section C of the Estimates)				
by protecting the rural economy particularly in less favoured areas				
RE1:01 Hill Livestock Compensatory Allowances	27,563	1,444		29,007
Sub-Aim Total	**27,563**	**1,444**		**29,007**
by encouraging action to reduce water & other pollution & by other measures to safeguard the aquatic environment including its fauna & flora				
RE2:01 Environmental Protection (Nutrients)	8,968	936	-2	9,902
RE2:02 Environmental Protection (General)	1,589	498		2,087
RE2:03 Salmon, Whaling & Inland Fisheries	7,545	3,034	-97	10,482
RE2:04 Aquatic Environment	26	10,192	-1,831	8,387
RE2:05 Farm Grants	4,022	426		4,448
Sub-Aim Total	**22,150**	**15,086**	**-1,930**	**35,306**
by improving the attractiveness & bio-diversity of the rural environment				
RE3:01 Environmentally Sensitive Areas	39,603	1,460		41,063
RE3:02 Conservation, Habitat Scheme and Access	3,925	444		4,369
RE3:03 Farm Woodlands	6,534	489	-2	7,021
RE3:04 Countryside Management	1,018	382	-1	1,399
RE3:05 Countryside Access Scheme	2,728	117		2,845
RE3:06 Moorland Scheme	1,040	258		1,298
RE3:07 Countryside Stewardship Scheme	15,065	1,633	-11	16,687
Sub-Aim Total	**69,913**	**4,783**	**-14**	**74,682**
Aim Total	**119,626**	**21,313**	**-1,944**	**138,995**

Annex 5: Estimated Provision for 1996-97 by Programme

	MAFF Scheme Costs	Admin. Costs	Receipts*	Total
To Improve the Economic Performance of the Agriculture, Fishing & Food Industries (CE) (Sections D, E and K of the Estimates)				
by implementing MAFF's CAP obligations efficiently, & by seeking a more economically rational CAP while avoiding discrimination against UK businesses				
CE1:01 Central Planning on Cap		1,194		1,194
CE1:02 Integrated Administration and Control System	1,119	5,062	-534	5,647
CE1:03 Arable Area Payments	1,174,451	8,180		1,182,631
CE1:04 5 Year Set-Aside and Pilot Extensification Scheme	3,192	129	-1	3,320
CE1:10 Cereals	229	527		756
CE1:11 Oilseeds and other Arable Crops	131	348		479
CE1:12 Sugar and Tobacco	1	270	-22	249
CE1:13 Alcohol and Alcoholic Drinks	402	400		802
CE1:20 Beef	205,356	9,227		214,583
CE1:21 Sheep	209,853	4,654		214,507
CE1:22 Pigmeat	328	183		511
CE1:23 Eggs and Poultry	44	1,141		1,185
CE1:24 Milk and Milk Products	230	979		1,209
Sub-Aim Total	**1,595,336**	**32,294**	**-557**	**1,627,073**
by creating the conditions in which efficient & sustainable agriculture, fishing & food industries can flourish				
CE2:01 Potatoes	123	135		258
CE2:02 Horticulture	1,542	4,178	-81	5,639
CE2:03 Alternative Crops		214		214
CE2:10 Trade Policy and Tropical Foods	150	613		763
CE2:11 Improved Marketing	10,667	975		11,642
CE2:12 International Relations & Export Promotion	5,537	1,164		6,701
CE2:20 Plant Varieties and Seeds	4,985	1,373	-3,847	2,511
CE2:22 Organic Farming and Agricultural Inputs	653	394	-8	1,039
CE2:23 Agricultural Training, Labour and Finance	3,028	781	-230	3,579
CE2:30 Conservation of Sea Fish Stocks	202	6,016	-76	6,142
CE2:31 Fishery Structures	20,986	754	-267	21,473
Supplementary Credit Approvals	422	–	–	422
CE2:32 Fish Farming and Shellfish Production	25	2,420	-141	2,304
CE2:33 Fish Marketing	2,152	467	-52	2,567
CE2:34 Fishery Management and Enforcement	10,249	3,205	-463	12,991
CE2:40 Rural Economy	17,965	872		18,837
CE2:41 Land Use and Tenure	3,195	1,621	-3	4,813
CE2:42 Royal Botanic Gardens, Kew	18,936	40		18,976
CE2:43 Science Policy	3,204	1,682		4,886
Sub-Aim Total	**104,021**	**26,904**	**-5,168**	**125,757**
by taking action against animal & plant diseases and pests				
CE3:01 Prevention and Control of Animal Diseases	14,013	12,501	-319	26,195
CE3:02 Plant Health	3,063	4,272	-649	6,686
CE3:03 Livestock Protection	5,237	2,840	-2,318	5,759
Sub-Aim Total	**22,313**	**19,613**	**-3,286**	**38,640**
Aim Total	**1,721,670**	**78,811**	**-9011**	**1,791,470**
To Protect Farm Animals (AW) (Section F of the Estimates)				
by encouraging high welfare standards				
AW1:01 Farm Animal Welfare	686	4,121		4,807
Sub-Aim Total	**686**	**4,121**		**4,807**

Annex 5: Estimated Provision for 1996-97 by Programme

	MAFF Scheme Costs	Admin. Costs	Receipts*	Total
To Ensure the Best Use of Internal Resources in Support of the Ministry's Business (IR) (Section G of the Estimates)				
by providing specialist support services				
IR1: 01 Audit		1,562		1,562
IR1: 02 Press & Information Services	4,767	3,939	-10	8,696
IR1: 03 Legal Services		5,211	-748	
IR1: 04 Economics & Statistics	4,932	5,254	-706	9,480
IR1: 05 Information Technology Services		28,065	-481	27,584
IR1: 06 Agency Support & Citizen's Charter	43	1,046		1,089
Sub-Aim Total	**9,742**	**45,077**	**-1,945**	**52,874**
by allocating resources where they are most needed				
IR2: 01 Financial Planning & Control	2	4,323	-3	4,322
IR2: 02 Staff Inspection, & Consultancy		727		727
IR2: 03 Management of Accommodation & Property Resources	7,368	91,134	-4,584	93,918
IR2: 04 Ministers & Top Management	7	1,859		1,866
Sub-Aim Total	**7,377**	**98,043**	**-4,587**	**100,833**
by the effective management & development of staff				
IR3: 01 Management of Human Resources		31,184	-1,898	29,286
Sub-Aim Total		**31,184**	**-1,898**	**29,286**
Aim Total	**17,119**	**174,304**	**-8,430**	**182,993**
Ministry Executive Agencies (EA) (Section H of the Estimates)				
EA1: 01 ADAS	40	74,800	-72,500	2,340
EA1: 02 CSL		22,398	-23,894	-1,496
EA1: 03 VLA (was CVL)	19	33,590	-38,387	-4,778
EA1: 04 PSD	3,597	6,997	-12,996 -2,402	
EA1: 05 VMD		7,424	-8,037	-613
EA1: 06 MHS		41,035	-35,030	6,005
EA1: 07 CSL Co-Location		2,019		2,019
Total	**3,656**	**188,263**	**-190,844**	**1,075**
Research and Development (Section I of the Estimates)				
	116,078			116,078
Grand Total	**2,109,573**	**496,199**	**-216,069**	**2,389,613**
Reconciliation				
Grand Total				**£2,390m**
minus EC Receipts**				**£1,607m**
MAFF total domestic agriculture fisheries, and food				**£783m**

* Receipts consist of Non EC Scheme Cost related and Administration Costs related receipts. They include non-EC receipts and EC receipts except those related to CAP or agricultural schemes.

** For the head up tables, IB provided MAFF with an early version of the figurework detailing EC Receipts coming through IB. The figure of £1607m used here should be the same as the figure of £1603m shown in Annexes 1, 3 and 11.

Annex 6: Local Authority Expenditure[1]

£ million	1990-91 outturn	1991-92 outturn	1992-93 outturn	1993-94 outturn	1994-95 outturn	1995-96 estimated outturn
Intervention Board and EC expenditure						
Current spending						
- EC grants for school milk and milk products	31	33	36	31	16	16
Domestic agriculture, fisheries and food						
Current spending						
- Programmes to protect the public[2]	34	26	31	26	40	38
- Programmes to protect the rural and marine environment	-2	-1	-3	–	-1	-1
Total current spending	**32**	**26**	**28**	**26**	**40**	**38**
Capital spending						
- Programmes to protect the public	51	48	30	33	30	48
- Programmes to protect the rural and marine environment		-6	-1	-10	-10	-7
- Programmes to improve the economic performance of the agriculture, fishing and food industries	-12	-18	-22	-45	-43	-38
Total Capital Spending	**39**	**24**	**6**	**-23**	**-23**	**2**
Of which:						
- Gross spending	59	56	36	40	36	59
- Capital receipts	-20	-32	-30	-63	-59	-57
Domestic agriculture, fisheries and food	71	49	34	3	17	40
Total Local authority expenditure	**102**	**82**	**70**	**34**	**33**	**56**

(1) Local authority expenditure includes central government support identified separately in Annex 1 as well as self-financed expenditure.

(2) Excludes levies on local authorities by the National Rivers Authority which are classified as a negative item under central government grants to local authorities (see Annex 1). This affects figures for 1990-91 onwards.

Annex 7: Running Costs

£ million	1990-91 outturn	1991-92 outturn	1992-93 outturn	1993-94 outturn	1994-95 outturn	1995-96 estimated outturn	1996-97 plans	1997-98 plans	1998-99 plans
Intervention Board									
Gross running costs:[1]									
Paybill	14	16	17	17	17	19			
Other	10	13	13	14	14	15			
Total	**24**	**29**	**30**	**31**	**31**	**34**	**35**	**34**	**35**
Related receipts									
Net expenditure[2]	**24**	**29**	**30**	**31**	**31**	**33**	**34**	**33**	**35**
MAFF									
Gross running costs:[1]									
Paybill[3]	200	216	231	242	244	275			
Other	113	132	148	157	163	174			
Total	**314**	**348**	**379**	**398**	**407**	**448**	**435**	**433**	**433**
Related receipts	-35	-92	-119	-133	-146	-169	-185	-190	-192
Net expenditure	**279**	**256**	**259**	**265**	**261**	**279**	**250**	**243**	**241**
Running cost by control area:									
Gross control	211	234	253	268	278	316	305	305	305
Net control areas:									
Veterinary Laboratories Agency									
Gross expenditure	17	19	21	22	22	27	32	32	32
Net expenditure	14					6			
ADAS[4]									
Gross expenditure	67	73	82	83	80	76	71	69	69
Net expenditure	53	34	22	13	10	9	6	5	5
Central Science Laboratory									
Gross expenditure	16	19	20	22	23	21	20	20	20
Net expenditure	16	7	4	8			-1	-1	-1
Veterinary Medicines Directorate									
Gross expenditure	2	3	3	3	3	8	7	7	7
Net expenditure	2	2	1	2					

(1) The gross figures are net of any VAT refunds on contracted out services.

(2) Administration costs of the operation of the CAP reform schemes are shown against MAFF expenditure for 1993-94 to 1998-99. Discussions on the long-term operational responsibilities continue.

(3) This covers the pay costs, including employers' earnings related national insurance and superannuation contributions, of civil servants in running costs (as given in the table on on departmental staffing).

(4) Does not include any provision for possible savings relating to ADAS privatisation.

Annex 8: Staff Numbers

Staff years	1990-91 outturn	1991-92 outturn	1992-93 outturn	1993-94 outturn	1994-95 outturn	1995-96 estimated outturn	1996-97 plans	1997-98 plans	1998-99 plans
IB									
CS FTEs	909	974	980	948	905	869	924	916	912
Overtime	13	27	28	23	23	21	11	11	11
Casuals [1]	78	44	55	51	83	84	17	17	17
TOTAL	**1,000**	**1,045**	**1,063**	**1,022**	**1,011**	**974**	**952**	**944**	**940**
MAFF (Gross Control area) [2]									
CS FTEs	6,598	6,844	6,706	6,844	6,724 [3]	7,293 [4]	7,181 [5]	6,998	6,816
Overtime	133	145	137	153	121	318	268	265	259
Casuals	397	464	394	822	651	715	85	79	78
TOTAL	**7,128**	**7,453**	**7,237**	**7,819**	**7,496**	**8,326**	**7,534**	**7,342**	**7,153**
VLA (Net Control area)									
CS FTEs	580	599	620	646	635	640	920 [6]	893	867
Overtime	21	17	16	19	16	20	24	24	24
Casuals [1]	65	28	29	39	37	23	30	30	30
TOTAL	**666**	**644**	**665**	**704**	**688**	**683**	**974**	**947**	**921**
ADAS (Net Control area) [7]									
CS FTEs	2,776	2,500	2,201	2,288	1,973	1,718	1,634	1,634	1,634
Overtime	49	47	51	46	45	49	49	49	49
Casuals [1]	143	161	152	188	168	139	146	146	146
TOTAL	**2,968**	**2,708**	**2,404**	**2,522**	**2,186**	**1,906**	**1,829**	**1,829**	**1,829**
CSL (Net Control area)									
CS FTEs	[8]	[8]	382	405	578 [3]	600	520	493	493
Overtime	[8]	[8]	0	7	8	9	7	7	7
Casuals [1]	[8]	[8]	43	48	33	57	69	68	68
TOTAL	**[8]**	**[8]**	**425**	**460**	**619**	**666**	**596**	**568**	**568**
VMD (Net Control area)									
CS FTEs	73	78	80	88	86	89	112	112	112
Overtime	0	0	0	0	0	0	0	0	0
Casuals [1]	5	6	9	4	4	5	0	0	0
TOTAL	**78**	**84**	**89**	**92**	**90**	**94**	**112**	**112**	**112**
TOTAL MAFF	**10,840**	**10,889**	**10,820**	**11,597**	**11,079**	**11,675**	**11,045**	**10,798**	**10,583**

(1) The outturn and estimated figures include casuals filling permanent posts on a head count basis.

(2) Includes PSD's and MHS's staffing figures as they are under gross cost control.

(3) Reflects the transfer of approximately 200 staff from MAFF Food Science Laboratory into the CSL Agency.

(4) Includes recruitment of approximately 1100 new staff for the new Meat Hygiene Service from April 1995.

(5) Plans for future years predict that the use of casuals will reduce significantly while the overtime element will only reduce slightly. These figures do not include the transfer of staff from WOAD with the arrival of Countryside Stewardship Scheme nor the transfer of the Fatstock Inspectorate to IB, although MAFF's running costs will include the money transferred.

(6) The transfer of the VIS to the CVL has created the enlarged agency the VLA.

(7) Does not include any provision for possible changes relating to ADAS privatisation.

(8) Figures for the Central Science Laboratory are included in the MAFF gross control area for these years.

Summary Totals

Total	CS FTEs	10,027	10,021	9,989	10,271	9,996	10,256	10,367	10,130	9,922
Total	Overtime	203	209	204	225	190	396	348	345	339
Total	Casuals [1]	610	659	627	1,101	893	939	330	323	322
Total		**10,840**	**10,889**	**10,820**	**11,597**	**11,079**	**11,591**	**11,045**	**10,798**	**10,583**

Annex 9: Capital Assets Register

CAPITAL ASSETS AS AT 31 MARCH 1995 [1][2]

	Cost	Departmental Reserve	Net Book Value
	£'000	£'000	£'000
Property	117,942	2,974	114,968
IT equipment	10,750	3,671	7,079
Scientific & Research	20	6	14
Fisheries	20,851	11,537	9,314
Furniture & fittings	3		3
Vehicles	3,014	1,338	1,676
Office Equipment	3,047	1,640	1,407
	155,627	**21,166**	**134,461**

[1] Does not include MAFF agencies

[2] This is the first year that Capital Assets have been assessed on a new basis in preparation for Resource Accounting and Budgeting, so no comparative figures are available. A Capital Asset is now an item costing over £2000 with a lifetime longer than one year.

Annex 10: Long Term Capital Projects

Details of Capital Projects costing over £150,000 and Reconciliation with the Estimate

Current estimate of expenditure (£'000 1996-97 prices)	Year of start/original estimate of year of completion	Current estimate of year of completion	Original estimate of expenditure	Total	Spent in past years	Estimated provision for 1996-97	To be spent in future years
Project							
Work in progress (contracts let by 31 October 1995							
CSL Co location	92-93/97-98	97-98	127,543	115,500	92,048	15,552	7,900
CVL Poultry Research Building	94-95/96-97	96-97	4,917	4,600	4,116	484	NIL
CVL Incinerator	94-95/96-97	96-97	5,897	5,758	5,358	400	NIL
Thirsk VIC	95-96/97-98	97-98	2,730	2,730	1,693	900	137
Penrith VIC	95-96/97-98	97-98	3,790	3,821	2,870	800	151
Guildford Office Refurbishment	95-96/97-98	97-98	3,250	3,250	2,241	967	42
Other schemes costing between £150,000 and £2m						250	
Total work in progress						**19,353**	
Proposals to start (contracts let after 31 October 1995)							
Other Schemes						22,564	
Total						**41,917**	

Annex 11: Territorial Breakdown[1]

£ million	1990-91 outturn	1991-92 outurn	1992-93 outturn	1993-94 outturn	1994-95 outturn	1995-96 estimated outturn	1996-97 plans	1997-98 plans	1998-99 plans
Intervention Board and EC expenditure									
Intervention Board[2]	1,301	1,238	1,093	1,121	493	571	652	609	593
MAFF[3]	185	200	354	1,022	1,204	1,495	1,603	1,621	1,623
Scotland[3]	71	94	132	243	285	357	388	384	384
Wales[3]	58	89	107	160	160	193	210	203	203
Northern Ireland[3]	48	60	56	89	115	134	140	147	147
Forestry Commission[3]				3	7	8	10	10	10
Total Intervention Board and EC expenditure (A)[4]	**1,663**	**1,680**	**1,742**	**2,637**	**2,265**	**2,758**	**3,002**	**2,974**	**2,961**
Domestic agriculture, fisheries and food									
MAFF	651	723	756	805	739	838	784	751	730
Scotland	163	187	179	171	170	180	177	173	168
Wales	52	64	58	48	49	55	55	52	51
Northern Ireland	38	36	40	33	27	28	26	25	25
Total domestic agriculture, fisheries and food (B)	**904**	**1,010**	**1,033**	**1,057**	**984**	**1,100**	**1,042**	**1,002**	**975**
Totals									
Intervention Board	1,301	1,238	1,093	1,121	493	571	652	609	593
MAFF	835	922	1,110	1,828	1,943	2,333	2,387	2,371	2,353
Scotland[5]	233	281	311	414	455	537	565	558	553
Wales[5]	110	153	165	207	209	246	265	255	254
Northern Ireland[5]	86	96	96	122	142	163	166	172	172
Forestry Commission[5]				3	7	8	10	10	10
TOTAL FOR AGRICULTURE, FISHERIES, AND FOOD INCLUDING TERRITORIAL DEPARTMENT'S EXPENDITURE RECORDED ABOVE (A+B)	**2,567**	**2,690**	**2,775**	**3,695**	**3,249**	**3,858**	**4,044**	**3,976**	**3,935**
Plus expenditure in Northern Ireland block not recorded above[5]	109	117	125	134	160	139	138	141	137
TOTAL FOR AGRICULTURE, FISHERIES, AND FOOD IN THE UNITED KINGDOM	**2,675**	**2,807**	**2,901**	**3,828**	**3,408**	**3,997**	**4,182**	**4,117**	**4,073**

1. Intervention Board and MAFF entries can be derived from the totals in Annex 1 part A and B respectively.
2. Includes support for local authority expenditure on school milk and milk products financed by EC grant.
3. Figures for 1995-96 are drawn from an earlier database than that used for Annex 3.
4) The operational and programme costs of the CAP reform schemes are shown against the Agriculture Departments' expenditure for 1993-94 to 1998-99. Discussions on the long term Departmental responsibilities for the operation of the schemes continue.
5. This expenditure is included in the main cash plan tables in the Scottish Welsh and Northern Ireland Departmental reports. Forestry Commission expenditure is included in the Scottish Departmental reports.

Annex 12: Overseas Visits by Ministers and MAFF Presence at International Exhibitions

Ministerial visits

Dates	*Minister*	*Destination*
30 January 1995	Parliamentary Secretary (Commons) – Mrs Browning	ISM food exhibition, Cologne
22 February 1995	Parliamentary Secretary (Lords) – Earl Howe	NTV Horticultural Exhibition, Netherlands
1 March 1995	Minister of State – Mr Jack	SIMA Exhibition, Paris
31 May 1995	Parliamentary Secretary (Lords)	PLMA Fair, Netherlands
2 - 7 September 1995	Parliamentary Secretary (Commons) – Mrs Browning	4th World Conference on Women, China
27 - 29 September 1995	Parliamentary Secretary (Commons) – Mr Boswell	Anglo-Irish Conference, Ireland
30 September - 5 October 1995	Minister of State – Mr Baldry	Indonesia
2 - 3 October 1995	Parliamentary Secretary (Commons) – Mrs Browning	Anuga Food Fair, Cologne
4 - 7 October 1995	Minister – Mr Hogg	Polagra, Poland
13 November 1995	Parliamentary Secretary (Commons) – Mrs Browning	Expo CT, Milan

This list does not include the frequent visits made by Ministers to Brussels/Luxembourg to attend Agriculture/Fisheries Council meetings and Bilaterals with their EC counterparts.

MAFF presence at international exhibitions

Dates	*Exhibition*	*Location*
5 - 15 January 1995	London International Boat Show	Earls Court, London
18 - 19 January 1995	British Growers Look Ahead (BGLA)	NEC Birmingham
23 - 27 April 1995	International Food and Drink Exhibition (IFE)	Earls Court, London
25 - 28 April 1995	AgroBalt	Vilnius, Lithuania
20 - 24 June 1995	Agro Expo China South	Guangzhou, China
3 - 6 July 1995	Royal Show	NAC Stoneleigh
5 - 9 July 1995	International Flower Show	Hampton Court, London
14 - 23 July 1995	Agro Expo Bogotá	Columbia
31 July - 2 August 1995	World Sheep and Wool Congress	Malvern
26 August - 3 September 1995	Expo-Inter	Esteio (Nr Porto Allegre), Brazil
29 August - 3 September 1995	Russian Farmer	St Petersburg, Russia
20 - 21 September 1995	European Dairy Event	NAC Stoneleigh
6 - 11 October 1995	Polagra '95	Poznan, Poland
11 - 14 October 1995	FoodPro '95	Madras, India
18 - 21 October 1995	Agro-Asia Alamaty	Kazakhstan
15 - 18 November 1995	Viv Asia	Bangkok, Thailand

Annex 13: Non-Departmental Public Bodies (NDPBs) sponsored by MAFF

NDPB	Number if a multiple body	Number of Members (including Chairman and Deputy, if applicable) [a]	Number of Staff employed by the body	Total Gross Expenditure of body (1994-95) (£m)	Amount of Total Gross Expenditure funded by Government (1994-95) (£m)	Other expenditure by sponsoring department (1994-95) (£m)[b]
Executive Bodies						
Agricultural Wages Board for England and Wales	–	21	3[c]	0.204[d]	0.204	–
Agricultural Wages Committees (England)	16	237	2[c]	0.067[d]	0.067	–
Apple and Pear Research Council	–	9	1	0.391	–	0.013
Food from Britain	–	15	22.5	9.823	5.249	0.12
Home Grown Cereals Authority	–	16	61.5	8.531[e]	0.118	0.026
Horticultural Development Council	–	14	8 [f]	3.205[e]	–	0.034
Horticultural Research International	–	10	801[h][i]	25.218[i]	19.984[ij]	0.086
Meat and Livestock Commission	–	14	541	43.555	–	4.226
Milk Development Council	–	11	0.5	–	–	0.014
Regional Flood Defence Committees [k]	9	157	–	–	–	–
Royal Botanic Gardens, Kew	–	12	503	22.506	16.504	0.098
Sea Fish Industry Authority	–	12	149.5	8.94	0.608	0.234
United Kingdom Register of Organic Food Standards	–	12	2.5	0.104[d]	–	0.089
Wine Standards Board of the Vintner's Company	–	4	12.5	0.393	0.297	0.04
Advisory Bodies						
Advisory Committee on Novel Foods and Processes	–	16	–	N/A	0.061	N/A
Advisory Committee on Pesticides	–	12	–	N/A	1.149[l]	N/A
Agricultural Dwelling House Advisory Committees	16	519	–	N/A	0.301	N/A
Committee of Investigation for Great Britain	–	6	–	N/A	–	N/A
Committee on Agricultural Valuation	–	13	–	N/A	–	N/A
Consultative Panel on Badgers and Tuberculosis	–	17	–	N/A	0.004	N/A
Consumers' Committee for Great Britain	–	7	–	N/A	0.013	N/A
Consumer Panel	–	9	–	N/A	0.114[m]	N/A
Farm Animal Welfare Council	–	20	–	N/A	0.277	N/A
Food Advisory Committee	–	14	–	N/A	0.1	N/A
Hill Farming Advisory Committee	–	15	–	N/A	0.017[n]	N/A
National Food Survey Committee	–	6	–	N/A	0.001	N/A
Regional Panels	9	82	–	N/A	0.1	N/A
Salmon Advisory Committee [o]	–	11	–	N/A	0.069[p]	N/A
Spongiform Encephalopathy Advisory Committee [q]	–	9	–	N/A	0.003	N/A
Sugar Beet Research and Education Committee	–	8	–	N/A	–	N/A
Veterinary Products Committee	–	20	–	N/A	0.083	N/A
Tribunals						
Agricultural Land Tribunals (England)	7	284	–	N/A	0.232	N/A
Dairy Produce Quota Tribunal	–	70	–	N/A	–	N/A
Meat Hygiene Appeals Tribunal (England and Wales)	–	17	–	N/A	0.002	N/A
Milk and Dairies Tribunal (England) [r]	–	–	–	N/A	–	N/A
Plant Varieties and Seeds Tribunal [s]	–	37	–	N/A	–	N/A
Public Corporations						
Covent Garden Market Authority	–	6	–	N/A	–	N/A

Annex 13: Non-Departmental Public Bodies (NDPBs) sponsored by MAFF

(a) This figure includes both members appointed by HM Queen or HM Government and those appointed by others.

(b) This is the net cost to MAFF in carrying out its sponsorship role in 1994-95. These figures principally include staff costs, accommodation and common service costs, fees and expenses. They exclude expenditure which is repaid by the body; loans to the body and payments to it for services; direct funding as shown in the previous column; and expenditure on associated policy work undertaken by the department which does not depend upon the existence of that body.

(c) Supported by staff from within the sponsoring department. Representatives of workers and employers are nominated by their respective unions.

(d) Expenditure forms part of the total MAFF expenditure.

(e) Forecast expenditure for the year ending 30 June.

(f) One member of staff seconded from MAFF.

(g) Expenditure is for the period 1993-94 since the HDC financial year runs from 1 October to 30 September.

(h) Only 108 staff are employed directly. The rest are seconded from the Biotechnology and Biological Sciences Research Council (557 staff) and MAFF (136 staff).

(i) Data relates to 1993-94.

(j) Includes £13,712m income commissioned on a customer/supplier basis.

(k) RFDCs are statutory executive committees of the National Rivers Authority (NRA) which meets their administrative costs. They are supported by NRA staff. The NRA is accountable for expenditure.

(l) Total includes a percentage of costs which are subsequently recouped from industry. Costs are for MAFF and the Health and Safety Executive and include some staff costs relating to the evaluation of pesticides and the preparation of papers as well as the running costs of the Committee.

(m) £0.006m of this expenditure is borne on the Department of Health's vote.

(n) Excludes costs incurred by Department of Agriculture for Northern Ireland and the Welsh Office Agriculture Department.

(o) The Salmon Advisory Committee will be wound up at the end of the 1995-96 financial year.

(p) Excludes costs incurred by by Scottish Office Agriculture and Fisheries Department and the Welsh Office Agriculture Department.

(q) Jointly funded by the Ministry of Agriculture, Fisheries and Food and the Department of Health.

(r) Disbanded 9 May 1995.

(s) One tribunal covers the UK but there are separate chairpersons depending upon whether it meets in England and Wales, Scotland or Northern Ireland. The Tribunal has not been convened since 1984.

This annex gives details of the main advisory committees on food matters. Their work is relevant in particular to Programmes PP 1:01, PP1:04, PP1:05, PP1:06 and PP1:08.

ADVISORY COMMITTEE ON THE MICROBIOLOGICAL SAFETY OF FOOD (ACMSF)

1 This Committee, which is supported jointly by MAFF and DH, has the general remit of advising Ministers on the microbiological safety of food. It has a broad membership which includes academic, health, industry and consumer interests. It published two major reports during 1995-96 on the significance of verocytotoxin-producing Escherichia coli as a foodborne pathogen (June 1995) and on the control of pathogens in poultrymeat (January 1996). In May 1995 it was merged with the Steering Group on the Microbiological Safety of Food and it is now responsible for co-ordinating microbiological food surveillance.

ADVISORY COMMITTEE ON NOVEL FOODS AND PROCESSES (ACNFP)

2 The ACNFP, made up mainly of scientists but including members with a consumer and ethical background, advises Ministers on safety issues to do with novel foods and processes and scrutinises individual applications for products which firms wish to market in the United Kingdom. It is now clearing about 10 applications a year and the number is increasing.

ADVISORY COMMITTEE ON PESTICIDES (ACP)

3 The ACP is an expert scientific committee advising Ministers on any matters relating to the control of pests and in particular the regulation of pesticides. It main role is to recommend whether pesticides can be allowed for use.

COMMITTEE ON MEDICAL ASPECTS OF FOOD AND NUTRITION POLICY (COMA)

4 This is a DH Committee made up of medical and scientific experts which advises on the relationship between diet and nutrition. It is currently considering the links between diet and cancers and has launched a study of the nutritional status of the population.

COMMITTEES ON TOXICITY/MUTAGENICITY/CARCINOGENICITY OF CHEMICALS IN FOOD, CONSUMER PRODUCTS AND THE ENVIRONMENT (COT/COM/COC)

5 These three DH Committees advise on the toxic and other risks to humans of a wide range of substances affecting everyday life. They are made up of medical and scientific experts and work very closely with other Committees, especially the Food Advisory Committee.

CONSUMER PANEL (CP)

6 The Consumer Panel is made up of ordinary consumers nominated by the main consumer organisations, who discuss with the Minister of Food matters of concern relating to food safety and make sure that the information they seek is publicly available.

FOOD ADVISORY COMMITTEE (FAC)

7 This broadly based committee, with members from academic, industry, enforcement and consumer backgrounds, advises Ministers on the chemical safety of food (especially food additives and contaminants), food composition and labelling and general questions of risk assessment and management. In 1995 it advised on such matters as sweeteners intakes, patulin in apple juice and the labelling of foods produced from genetically modified plants. At the end of 1995 it took over the functions of the Steering Group on Chemical Aspects of Food Surveillance (SGCAFS), which had co-ordinated the food surveillance programme and published four reports during the year.

NUTRITION TASK FORCE (NTF)

8 The NTF was a broadly based committee with members from academic life, industry, the health professions and public interest groups, supported jointly by DH and MAFF. It was charged with developing an action plan to achieve the diet and nutrition targets set out in the Government's Health of the Nation initiative. Its programme, *Eat Well!*, was published in April 1995 and its remit was extended until the end of 1995 to enable it to launch the programme and submit a final report.

SPONGIFORM ENCEPHALOPATHY ADVISORY COMMITTEE (SEAC)

9 This Committee of expert scientists advises MAFF and DH on matters relating to, in particular, bovine spongiform encephalopathy (BSE) and Creutzfeld Jakob Disease (CJD). It recommends the research that is needed and advises on the implications of the results.

VETERINARY PRODUCTS COMMITTEE (VPC)

10 The VPC is a scientific committee of independent experts which advises the Agriculture and Health Ministers on the safety, quality and efficacy of veterinary medicines under the Medicines Act 1968. It also promotes the collection and investigation of information relating to adverse reactions. A report of the Committee's work is published every year.

The Minister of Agriculture Fisheries and Food made the following public appointments or re-appointments during 1995. In some cases the appointments were made jointly with Ministers from other Government Departments.

PUBLIC CORPORATION

COVENT GARDEN MARKET AUTHORITY

Members

Gulam K Noon – Managing Director of Noon Products plc, his own food manufacturing and distribution business. He is also a director of numerous other businesses including Taj International Hotels Limited and Obydon Limited, which trades as the Bombay Brasserie Restaurant in London. He is a member of the Asian Steering Committee of the Prince's Youth Business Trust.

Mrs Anna Vinton* – Co-founder of the Reject Shop plc. She is a non-executive director of Cadbury Schweppes plc and Courtlands Textiles plc. She is also a member of the School Teachers Pay Review Body and a Trustee of the Marie Curie Foundation.

EXECUTIVE BODIES

AGRICULTURAL WAGES COMMITTEES

Beds, Cambs, Essex & Herts

Ms Jeannette Firrell – Runs her own Marketing Consultancy business. Previously held Director/Managerial positions with Tulip International and Chivers Hartley Group.

Eric Peskett* – Former Manager with Lloyds Bank, former Vice-Chairman, Board of Governors and Trustees of St Clement Danes School. Former trustee and Chairman of Finance Committee, St Clement Danes Holborn Estate Charity.

Derek King* – Former Manager with DHSS

James Leishmann* – Former manager with Midland Bank working on the Agriculture Team. Now runs own Business Consultancy.

Cleveland, Durham, Northumberland and Tyne & Wear

Sir John Laurence Pumphrey*

J N Anthony *

Cornwall, Isles of Scilly, Devon

Mrs Doris M Ansari JP* – A magistrate since 1981 and Cornwall County Councillor since 1983. Chairman of the Education Committee. A former member of Truro City Council and Carrick District Council.

Roger J Harris CBE – Chartered accountant. Partner KPMG (formerly Peat Markwick) based in Plymouth. Chairman, South West Industrial Development Board. Vice Chairman, South West Enterprise Ltd. Director, Devon and Cornwall Development International. Former Governor, University of Plymouth. Chairman, South Western Society of Chartered Accountants.

Wing Cdr E W W Newby* – After flying and Education Officer duties with RAF, retired in 1977. Former School Governor and Chairman of his Parish Council.

A C Gregson* – MAFF's Divisional Executive Officer at Norwich from 1975 to 1981.

Cumbria

M G Barnes*

Kent, Surrey, East & West Sussex

J Sinkins – Prior to retirement, he worked as an insurance broker. As well as dealing with general insurance business, he specialised in the areas of oriental carpets and semi-precious stones. He is a Justice of the Peace and serves in the South East Division of Surrey.

Lancashire, Greater Manchester and Merseyside

H M Booth*

Cheshire/Staffordshire

Mrs J Bond* – works 2 half-days per week, on a voluntary basis, for the Citizens Advice Bureau and is on the Workers Management Committee of that organisation. She is also a Governor of the Sandbach High School for Girls and a member of the Campaign for the Preservation of Rural England.

G Hovey* – Director in the family business, Zan Limited. He and his fellow Directors are also the landlords of the Zan Industrial Park which rents premises to a number of small businesses. Mr Hovey is Chairman of the local Chamber of Commerce, a member of the CBI and a Rotarian.

Shropshire

G B Carvell * – a former Branch Manager and Staff Inspector with the Trustee Savings Bank. He took early retirement in late 1991 on health grounds.

S W Martin* – He is a Language Graduate and after 2 years National Service as a commissioned Pilot Officer with the Royal Airforce, he spent 16 years with the Diplomatic Service. Part-time assistant Master at Shrewsbury School.

Avon, Dorset, Somerset, Wiltshire

A Pendlebury* – Retired Taunton Solicitor.

Mrs M R Sellers* – Retired Bath Head Teacher

APPLE AND PEAR RESEARCH COUNCIL

Chairman

Professor Sir Colin Spedding CBE* – Emeritus Professor, Reading University. His current activities include Chairmanship of the Council of Science and Technology Institutes, Patronage also Chairman of United Kingdom Register of Organic Food Standards Board and Chairman of the Farm Animal Welfare Council.

Members representing the interests of growers

Dr Oliver Doubleday* – Executive within the Doubleday family farming business in Kent which includes a substantial top fruit enterprise. He has a PhD in molecular biology and has a strong R&D background as a result of his work within the NFU.

Alan Burbridge* – Director of Herbert Payne Farms Ltd growing 1200 acres of top fruit. He is a member of the British Independent Fruit Growers Association General Committee. He is a member of the NFU and the Kent branch of the NFU Fruit Committee and has a specialist interest in fruit storage.

Ms Cilla Clive* – Fruit grower since 1976. Her independent grower, packing and marketing business serves supermarkets and wholesalers. Previously served on the APRC as a member with special knowledge of Marketing and Distribution.

William Hebditch – Proprietor of New Cross Fruit Farm which includes 160 acres of apples. He has served on the Station Advisory Committee of the National Fruit Trials at Brogdale and is past Chairman of the Somerset Fruit Growers Club.

Andrew Wheldon – Director of Peter Wheldon Ltd, a family run fruit farm in Suffolk, with particular responsibility for storage and packing. He is a Trustee of East Malling Research Association, Member of Brogdale New Varieties Panel; a member of HRI Technical Top Fruit Committee and Director of ENFRU Ltd.

Member representing the interests of employees in the Industry

Christopher Rose* – Director of E Vinson and Son Ltd for 11 years, manages Ewell Farm, Faversham. He takes an active interest in all aspects of the Under 40s Fruit Growers Organisation, serving on the Organising Committee of the most recent Under 40s Fruit National Conference. He is Chairman of East Kent Fruit Society.

Members with special knowledge of marketing and distribution

Professor David Hughes – Sainsbury Professor of Agribusiness Management and Food Marketing at Wye College. He has worked closely with agribusiness and food industry firms on the development of marketing strategies and with governments on food system policy formulation.

Independent Member

Balram Gidoomal – Chairman of Winning Communications Partnership Ltd and Director of the South London Training Enterprise Council. He is Chairman of the Christmas Cracker Trust, Ethnic Business Adviser to the Princes Youth Business Trust and involved with a number of other social, community and charity initiatives

FOOD FROM BRITAIN COUNCIL

Members

Sir Richard George* – Chairman and Managing Director of Weetabix Ltd, which he joined in 1968. Member of the Executive Committee of the Food and Drink Federation since 1984 and was President until the end of 1995.

Professor Susan A Shaw* – Deputy Principal of the University of Strathclyde. Holder of a Chair in Marketing at the University. Director of the Strathclyde University Food Project. Director of Scottish Food Quality Certification Ltd and member of the Food Advisory Committee.

Caroline Spelman* – Research Fellow at Wye College, London University and Managing Director of an Agricultural Consultancy. After working for the NFU, moved to Paris as Deputy Director of the European Sugarbeet Growers Organisation, CIBE. During this time, nominated rapporteur on biotechnology for COPA, the European Farming Union. Member of FFB Council since 1992.

John Irish CBE* – Former Chairman and Chief Executive of Spar (UK) Ltd from 1981 until his retirement in 1994. Chairman Voluntary Group Association. Vice President British retail Consortium. Fellow and member of the Institute of Grocery Distribution. Before joining Spar in 1971, worked for David Grieg and Marks and Spencer.

HOME GROWN CEREALS AUTHORITY

Chairman

G Brian Nelson CBE* – Former Deputy Chairman of H P Bulmer and a former Chairman of the National Association of Cider Makers. He was first appointed Chairman of the HGCA in 1989 and was awarded the CBE in the 1994 New Years Honours List.

Members representing the interests of growers

Jeremy Dillon-Robinson OBE* – Farms 275 hectares of mainly wheat and oilseed rape in Essex. A former member of the NFU Council, he is a local Director of the NFU Mutual. He is also a member of the Processors' and Growers' Research Organisation (PGRO).

David F R George OBE – Chairman of the South Wales Association of Co-operative Societies. Former member of the Agricultural Advisory Panel for Wales. Farms some 300 hectares (arable and livestock) near Cardigan in Dyfed.

Mrs Marie Skinner – Farms over 200 hectares of arable land in Norfolk. National Farmers Union (NFU) Council Delegate (representing Norfolk farmers), Cereals Delegate (representing East Anglia) and member of the NFU Parliamentary Committee. Executive Board member of Morley Research Centre and of LEAF (Linking Environment and Farming). Former MAFF Regional Panel member. Agricultural journalist writing regular columns in periodicals such as *Crops* magazine and *Farmers Weekly*.

Members representing the interests of dealers and processors

Michael W Gutsell – Raw Materials Director of Hugh Baird & Sons Ltd. Chairman of the Maltsters Association of Great Britain (MAGB)'s Cereals Committee and Vice Chairman of the Institute of Brewing's Publicity Sub-Committee.

Ken E Hairs* – General Manager of Continental UK Limited, part of the Continental Grain Group, with specific responsibility for the Group's International Affairs. A past President of the Grain and Feed Trade Association (GAFTA), has also been actively involved on GAFTA's Contracts, Raw Materials, Exporters, Stores and International Contracts Policy Committees.

HORTICULTURAL DEVELOPMENT COUNCIL

Members representing the Interests of Growers

John Evans* – Chairman and Managing Director of H Evans Limited, H Evans (Europe) Limited and Ruxley Manor Garden Centre. Chairman of the HDC Protected Crops Panel.

Michael Holmes* – Farmer. Deputy Chairman of the NFU Central Horticulture Committee. Chairman of Stockbridge House EHS Advisory Committee, Chairman of the Pea Growing Research Organisation, and on the Board of Directors of HRI. Chairman of the HDC Field Vegetables Panel.

Hugh Lowe* – Director of Weald Granary Limited, CEAS Consultants Ltd, NSA (Plants) Ltd and Hugh Lowe Farms Ltd. Vice Chairman of the Governors of Wye College, Chairman of the NFU Soft Fruit Committee and Chairman of the HDC Soft Fruit Panel.

Tom Maxey* – Managing Director of Groom Bros Limited, Spalding. He is a member of the South Holland (Lincs) Branch of the NFU, a former Chairman of the NFU Bulbs Sub-Committee and served on the NFU Glasshouse Produce and Flowers Committee. Chairman of the HDC Bulbs Panel.

Tom Wood* – Managing Director of Oakover Nurseries Limited. A member of the governing body of Hadlow College and Chairman of the Horticultural Advisory Committee. A committee member and trustee of the East Malling Research Association and Chairman of the HDC Hardy Nursery Stock Panel.

Peter Woad – Managing Director of Blue Prince Mushrooms Ltd. Chairman of the HDC Mushroom Panel.

Alex Samson – Director of Kettle Produce Ltd specialising in the growing, packing and marketing of vegetables. In 1986 he was awarded the Norah Stucken Award for services to horticulture by the *Grower*.

Nicholas Vrijland* – Started West Cranleigh Nurseries,. Chairman of Madestein UK Ltd (propagation nursery), NV Produce Marketing Ltd and Donaldsons Flowers Ltd (cut flowers). In 1995 was appointed Grower of the Year by *Grower* magazine. Resigned September 1995.

Robert Hillier* – Managing Director of Hillier Nurseries Ltd. Chairman of the Hampshire Training and Enterprise Council and a member of the HDC HONS sector panel.

Pam Smith – Chairman NFU East Midlands Regional Public Affairs Strategy Group, a director of Lincolnshire TEC and member of HRI, Kirton station advisory committee. Small grower producing cut flowers, bedding plants and dried flowers on 3 hectares.

Andrew May – Daffodil and early potato producer in the Isles of Scilly. Past Chairman of Trenoweth Research Sub Station Advisory Committee. Founder and Director of Mainland Marketing, the Isles' flower marketing company. Member of the NFU Isles of Scilly Branch Committee and the local Round Table. Director of the Isles of Scilly Steamship Co. Ltd.

Bernard Sparkes – Executive Manager of English Village Nurseries Ltd which grows tomatoes, celery and lettuce. He is a member of the NFU Lancashire glasshouse committee; a Fellow of the Institute of Horticulture; a Governor of the Welsh College of Horticulture; a committee member of the Horticultural Research Association (HRA) and the HRA Planning Committee; and a member of the HRI Stockbridge House Advisory Committee. (Replaced Mr Vrijland)

Members representing the interests of employees in the Industry

Margaret Holmes – District Officer with Transport and General Workers Union representing horticultural members. 20 years experience in the horticulture industry.

Members with special knowledge of marketing or distribution

Bob Hilborn – Chief Food Technologist (Primary agricultural products) with J Sainsbury Plc. Member of the Council of the National Institute of Agricultural Botany. Member– Advisory Board of LEAF (linking Environment and Farming), and the Management Group for LINK projects on sustainable agriculture.

MEAT AND LIVESTOCK COMMISSION

Deputy Chairman

Mike Buswell – Main board director of Hillsdown Holdings plc. His responsibilities included the group's £700m per annum European meat and producer operations which comprised slaughtering, bacon and ham processing, international meat trading, catering butchery as well as by-product and sheepskin processing. Starting out as a trainee, Mr Buswell built up a small

family meat business which he sold to Dalgety UK Ltd in 1974. He rose to become a main board director of Dalgety UK Ltd and Chief Executive of Dalgety Meat Ltd.

Members

John Baker MBE* – Joint Managing Director of the Baker Group of Companies and has interests in farming and transport. A former president of the Federation of Fresh Meat Wholesalers, Mr Baker was nominated by the slaughterers, wholesalers and manufacturers panel.

Miss Bridget Bloom OBE *– Forestry Commissioner since 1993. Non-executive director of the newly formed National Forest Company and a member of the Minister of Agriculture's 'think tank' on CAP reform. A former agricultural correspondent to the Financial Times.

Wilson Ferguson – President of the Scottish Federation of Meat Traders' Associations. A past President of the Lanarkshire Butcher's Association; a founder member and Honorary President of the Young Scottish Butcher's Association; nominated by the Retailer Sector Panel.

Ralph Green* – Managing Director of McIntosh Donald Limited, Portlethen. Member of the Scotch Quality Beef and Lamb Association. Nominated by the slaughterers, wholesalers and manufacturers panel.

Mrs Elizabeth Hodder* – Chairman, Meat and Livestock Commission Consumers' Committee. Ombudsman for Bedfordshire. Member of the Review Committee overseeing the Code of Banking Practice, the Council for the Building Societies Ombudsman and the Citizens Charter Complaints Task Force. Former member of the National Consumer Council and the National Association of Citizens Advice Bureaux.

Colin Jay* – Member of the Council of the British Meat Manufacturer's Association and a Member of the Meat Training Council. A Trustee of several Company Occupational Pension Schemes including chairmanship of the MLC Pension Scheme. Former Chief Executive of FMC plc.

John Jones –. Member of the Livestock Auctioneers' Association Council representing Shropshire and North Wales. Member of the Lord Chancellor's Panel of Arbitrators. Partner with Norman R Lloyd & Co., responsible for the livestock marketing side of the business. Director of the Animal Disease Research Association. Chairman of the British Rouge de L'Ouest Sheep Society. Nominated by the organisations representing the interests of livestock auctioneers and is the first auctioneer to be appointed to the Commission.

Peter Redshaw* – Farms pigs and cereals in Hampshire. Nominated by the producers panel he has served as a Commissioner since 1989.

John Ross – President of the National Farmers Union of Scotland. Member of the Council of the CBI Scotland and is an elder of Portpatrick Parish Church.. He farms a hill and upland farm in Portpatrick which carries 90 suckler cows and 800 ewes. Nominated by the Producer Panel.

Richard Sadler – Head of Buying for Meat Poultry and Fish, Waitrose Ltd. Member of the Lamb Promotion Council. Nominated by the Retailer Sector Panel.

John Wilyman – Runs a 630 acre family farm in Abergele North Wales. It is an upland farm specialising in sheep production. The majority of the flock are Welsh Half-Breds. He has a close involvement with the Welsh Half-Bred Sheep Association. An active member of various livestock committees at local and national level. Nominated by the Producer Panel.

MILK DEVELOPMENT COUNCIL

Chairman

John E Moffitt CBE – Director of Hunday Electronics Ltd. Member of the MAFF Committee on Genetic Engineering. He is an expert in cattle breeding and has chaired numerous committees and societies. He was the Chairman of the Animal Data Centre from May 1992 to October 1994.

Members

Hugh Wilson – Secretary to the Rural Agriculture and Allied Workers Trade Group (Scotland) of the TGWU. He is also a member of the Meat and Livestock Commission's Liaison Committee in Scotland, the Scottish Seed Potato Development Council, the Executive Committee for Rural Reform(Scotland) and the Agricultural Committee of the National Council on Vocational Qualifications.

Martin Stanbury – Farms in Cornwall where he milks 110 Holstein Friesians. He is NFU Chairman for the Cornwall Branch and also serves on the NFU's national Milk, Education and Employment Committees.

Mrs Irene Unsworth – Farms in Lincolnshire with a herd of 120 dairy cows and followers, and a small beef herd. She is currently the dairy representative for the Lincolnshire Branch of the WFU. She was the WFU National dairy Chairman from 1991-93.

Dr Malcolm Crabtree – Managing Director of the Leckford Estate in Hampshire. He is a member of the Kingshay Farm Trust which performs independent farm research. He completed a PhD in Animal Nutrition at the Rowett Institute and worked as an ADAS adviser for 18 years.

Alex Brown – Farms in Airdrie where he has a herd of 120 pedigree Holstein cows. He is the convenor of the NFU(Scotland) Milk Committee, a post he has held since 1989, and a member of the NFU R&D Working Group. He has served on the Milk, General Purpose and Animal Health and Welfare Committees of the NFU.

John F Gibson – Managing Director of Unigate Dairies Ltd. From 1977-89 he held a number of posts with Express Foods Ltd, including Managing Director in 1989. From 1973-77 he was Product Manager at the Dairy Trade Federation and had a period of secondment with the European Commission in 1976.

Mrs Philippa L Foster Back – Group Treasurer of Thorn EMI plc and is a non-executive member of the Management Audit Board of the Ministry of Defence. She is a Fellow of the Association of Corporate Treasurers, the Royal Geographical Society and the Royal Society of Arts.

Christopher J French – Farms in Surrey with 200 dairy cows, 100 followers and 200 beef cattle. He was Vice President of the NFU from 1986-91 and Deputy President from 1991-92. He is currently a Governor of the Royal Agricultural College.

David J Harden – Farms 5,500 acres in Lleyn, Gwynedd, with over 100 dairy cattle. He is the Chairman of the North Wales branch of the Country Landowners' Association. He has held directorships at Lord Rayleigh's Farms and was a director of Strutt and Parker Farms Ltd.

Ben E Boot OBE – Specialist dairy farmer in Shropshire. He is currently Chairman of the European Commission Advisory Committee for Milk and Milk Products. He is also a member of the Residuary Milk Marketing Board, has been a member of MMB West Midland Regional Committee and served as Chairman of the NFU Milk and Dairy Produce Committee from 1982-89.

REGIONAL FLOOD DEFENCE COMMITTEES

Anglian

Members

Anthony J Morbey – Arable farmer. He is Chairman of the Middle Fen and Mere Internal Drainage Board, a member of the Executive Committee of the Association of Drainage Authorities and Vice-Chairman of its Great Ouse branch. He is also a member of the Potato Marketing Board, serves on local NFU and CLA Committees and is a director of local (agricultural) co-operatives.

Sir Edward B Greenwell Bt DL – Farms in Suffolk and also has an upland sheep farm in Scotland. He is Chairman of the Norfolk and Suffolk Local Flood Defence Committee and also Chairman of two Internal Drainage Boards. He is a director of Anglian Produce (Potato Marketing Co-operative). He is also a member of several CLA committees and a past Chairman of its Suffolk Branch.

South West

Chairman

Michael J Stanbury – Livestock farmer. He had been a member of the Committee since 1989 (and is expected to revert to this position when the previous Chairman reassumes the post following a short-term appointment to the Board of the NRA). He was President of the Devon Cattle Breeders Society from 1980-81, and a Chairman of St Giles-in-the-Heath Parish Council from 1982-85 and 1988-91. Currently a Governor of the West of England School for the Partially Sighted.

Member

Charles A Howeson – Director of Corporate Development at Plymouth Theatre Royal. Businessman and Consultant Adviser at the University of Plymouth. He is a former Executive Director of the Plymouth Area Groundwork Trust (1991-93) and a founding director of

Plymouth Development Corporation. He is a member of the Devon Farming and Food Committee and a past Chief of Allied Staff in Gibraltar.

ROYAL BOTANIC GARDENS, KEW

Chairman

Robin A E Herbert CBE* – Trustee of the Royal Botanic Gardens, Kew since 1988 and Chairman of the Board of Trustees since 1991. He is Chairman of Leopold Joseph Holdings plc and the Lands Improvement Holdings plc. He serves on the Darwin Advisory Committee, the Royal Parks Ministerial Advisory Board and the Council of the International Dendrology Society. Previous appointments include serving for nine years as Deputy Chairman of the Countryside Commission and as a member of the Council and Executive Committee of the National Trust.

Trustees

Sir Jeffery Bowman – Chartered Accountant. Before his retirement from the firm at the end of 1993, he was in Price Waterhouse and was Senior Partner of the UK Firm, Chairman of Price Waterhouse Europe, and Joint Chairman of Price Waterhouse World Firm. He is at present Chairman of an NHS Trust and director of a number of UK companies.

Professor William G Chaloner FRS* – Emeritus Professor of Botany at Royal Holloway, University of London and Visiting Professor in the Department of Geological Sciences, University College, London. He was until recently a member of the Natural Environment Research Council and is a past President of the Linnean Society (1985-88). He is a specialist in plant evolution and palaeobotany. He has been a Trustee of the Royal Botanic Gardens, Kew since 1983.

Professor Hugh Dickinson – Sherardian Professor of Botany and Keeper of the Botanic Garden at Oxford. His research focuses on the use of molecular techniques to study, and eventually manipulate, plant reproductive systems.

Miss Anna Ford – Well known radio and television broadcaster and journalist. She is a Trustee of the Geffrye Museum and serves on the Board of the Foundation and Friends of the Royal Botanic Gardens, Kew.

Spencer de Grey – Design partner in the architectural firm Sir Norman Foster and Partners. Recent projects include the Law Faculty for the University of Cambridge, the Great Court for the British Museum and the National Botanic Garden in Wales. He lectures widely for the practice.

Arabella, Lady Lennox-Boyd* – Principal of a landscape design business and has designed a variety of gardens and landscapes, completing some 250 in all. She has written and published two books *Traditional English Gardens* and *Private Gardens of London*. Her office has worked on the re-design of a substantial part of the garden at Ascott House, the gardens of Eaton Hall and many other gardens in England and Europe. She is a member of the Council for the Painshill Park Trust, a member of the Historic Parks and Gardens Panel of English Heritage, and the Bedgebury Pinetum Consultative Committee.

UK REGISTER OF ORGANIC FOOD STANDARDS (UKROFS)

Chairman

Sir Colin Spedding – Chair of the Board of UKROFS since its formation in 1987. He was formerly Professor of Agricultural Systems and Pro-Vice Chancellor at the University of Reading. He is also Chairman of the Farm Animal Welfare Council and the Apple and Pear Research Council.

Members

Lawrence Woodward – Board member who was formerly an organic farmer. He is now Director of ELM Farm Research Centre which is the only research organisation concentrating entirely on organic agriculture.

John Hassett – Board member who spent 17 years with Unilever in marketing and general management. He is now Main Board Director of Edward Billington and Son, the Liverpool based food, agriculture and packaging group.

ADVISORY COMMITTEES

ADVISORY COMMITTEE ON PESTICIDES

Members

Dr Andrees Carter Bsc, PhD, FISoilSci, MCIWEM* – Principal Research Officer and Laboratory manager at the Soil Survey and Land Research Centre, Cranfield Institute of Technology. She is an expert in applied soil physics and soil hydrology.

Professor Michael Claridge MA, DPHIL(Oxon)* – Head of Shcool and Professor of Entomology, University of Wales, Cardiff.

Dr Alexander Proudfoot BSc(Hons), MB, ChB, FRCPE* – Consultant physician, Edinburgh Royal Infirmary and Director of the Scottish Poiosons Information Bureau. Also Chairman of the Sub-Committee on Pesticides and the Medical and Toxicological Panel. He is an expert in clinical toxicology.

Dr Eve Roman Bsc, PhD* – Staff Scientist at the Imperial Cancer Research Fund Cancer Epidemiology Unit, Oxford and an expert in epidemiology.

AGRICULTURAL DWELLING HOUSE ADVISORY COMMITTEE

Anglia

Chairman

Michael Coles* – Former Manager with National Westminster Bank. Local Rotary Club President and Treasurer of Local District Scout Group. Former Treasurer of local ex-servicemen's club.

Members

Eric Peskett* – Former Manager with Lloyds Bank, former Vice-Chairman, Board of Governors and Trustees of St Clement Danes School. Former trustee and Chairman of Finance Committee, St Clement Danes Holborn Estate Charity.

Derek King* – Former Manager with DHSS.

East Midlands

Chairman

R W Tinn* – Solicitor. Senior Partner in the practice of Ringrose and Co in Boston. Past President/Council Member of the Lincolnshire Law Society, past Chairman of Blackfriars Art Centre in Boston, past Captain/Chairman of Boston Golf Club, past Secretary of Old Leak Community Centre and Secretary of Boston and County Club.

Members

Thomas A Twigg* – Semi-retired Chartered Surveyor.

B J Clayton* – Senior Partner in the firm of Harvey & Partners, Auctioneers/Estate Agents of Northampton. Mr Clayton is a Justice of the Peace.

A R Wylde MA – Solicitor in the firm of Burton & Co, Lincoln.

South Mercia

Members

Roger Bailey Weaver – Retired Chartered Surveyor and businessman who has held Board posts in several leisure and engineering companies over the years. Has served as a committee member for various local sporting and building trades concerns and is currently an Executive Committee Member of Redditch and Bromsgrove Chamber of Commerce, a Committee Member of Primrose Hospice, Bromsgrove and of Avoncroft Museum of Historical Buildings.

Mrs Joyce Thomas* – Retired doctor's surgery administrator. She is on the Board of Governors of a number of local schools. She was the first Lady Mayor of Ross on wye in 1976 and is actively involved in all aspects of community life, being a founder member of the Ross Ladies' Circle, a co-founder of the Ross Advisory Service and a founder of the Ross Pre-School Playgroup.

Charles Patrick Love* – Retired Gloucestershire schoolteacher, now invloved in local voluntary work, particularly 'Meals on Wheels'.

Wessex

Members

H T Price* – Retired bank manager with Barclays Bank in Preston. Now lives in Bridport.

L W Taylor* – Retired bank manager from Broadstone

G C Clinton* – Retired Somerset headmaster form Crewkerne. Now runs a private teaching organisation for foreign students.

Commander D A A Willis* – Retired from Royal Navy. Bursar at Sherbourne School for Girls. Lives in Somerton.

G R Bartaby* – Retired mathematics teacher from Sparkford.

Wing Commander N Rollin* – Retired RAF officer from Devizes.

G Vincent* – Retired Peronnel Officer for Wiltshire County Council. Lives in Warminster.

K A Parsons* – Partner in a commercial vehicle manufacturers. Lives in Wells.

G N Sellers* – Retired sales and marketing director from Bath. Has undertaken consultancy work in the field of textiles, computers and telecommunications.

Mrs M R Sellers* – Retired headmistress from Bath. Council member of Queen Elizabeth College London and of the University of Bath. Member of MAFF's programme Committee for Pest Infestation Control Laboratory.

ADVISORY COMMITTEE ON NOVEL FOODS AND PROCESSES

Members

Professor Heather M Dick CBE –

Professor Hubert Frank Woods* – Expert in toxicologyfrom the Department of Medicine and Pharmacology, Royal Hallamshire Hospital, Sheffield . He is Chairman of the Committee on the Toxicity of Chemicals in Food, Consumer Products and the Environment and as a result holds an ex-officio post on the ACNFP.

Professor William P T James* – Director of the Rowett Research Institute, Aberdeen. He is an expert in nutrition and is a Member of the Committee on the Medical Aspects of Food Policy, chairing its Panel on Novel Foods.

Professor Bevan E B Moseley* – Former Head of the Institute of Food Research's Reading Laboratory and currently carries out research co-ordination and supervisory work for MAFF. He has been a valuable Committee Member over many years, providing expertise on radiology and microbiology.

Dr Michael Gasson* – Head of the Genetics and Microbiology Department at the Institute of Food Research's Norwich Laboratory and provides expertise in bacterial genetics.

CONSUMERS' COMMITTEE FOR GREAT BRITAIN

Chairman

Mrs Janet Laurence – Freelance cookery writer and past Chairman of th Somerset and Dorset Branch of the European Union of Women. Previously she worked as a PR consultant and as a food correspondent for the *Daily Telegraph* and ran residential cookery courses.

Member

Mrs Marjorie Grimes – Runs her own business, principally a consultant staff trainer. For 18 years she was a councillor in the London Borough of Sutton where she chaired many Committees. Deputy Chairman for seven years of the National Gas Consumer Council and Chairman for ten years of the South Eastern Gas Consumers Council.

CONSUMER PANEL

Members

John K Hosker – Has 30 years experience in consumer affairs and became the first Director of the National Consumer Council. He has also been Director of the Gas Consumer Council and of the Market Research Society. He was Deputy Director of the Consumer's Association from 1989 to 1995.

Anthony D Phillips – Chief Executive of Henshaw's Society for the Blind. He has 20 years experience in consumer affairs with local authority trading standards department and has been Chief Executive of a major charity and housing accociation. Mr Phillips was unable to continue his appointment to the Consumer Panel.

Dr John Godfrey – Fellow of the Royal Society of Arts and a Member of the Royal Institute of International Affairs. He has lectured on Biology and Zoology at Edinburgh and Oxford Universities and is advisor with the UK and EC to the Institute of Economics and Industrial Engineering in Novobirsk.

Ms Eva Lewis – Member of St Peter's Church, Earls Court Homeless Project and is involved with various voluntary groups. She is experienced in promotion and marketing for various companies.

Miss Jane Hughes – Was Senior Lecturer in Home Economics at Calder College Liverpool and is the UK Secretary of the International Federation for Home Economics. She is also a member of the Welsh Consumer Council and of the BSI Consumer Policy Committee. She has undertaken consultancies for a number of companies and local authorities.

FARM ANIMAL WELFARE COUNCIL

Chairman

Professor Sir Colin R W Spedding CBE, MSc, PhD, DSc, CBiol, Hon FIBiol, FRASE, FIHort, FRAgS, Assoc RCVS, Hon DSc (Reading) * – Expert on agricultural systems. He was Professor of Agricultural Systems, Director of the Centre for Agricultural Strategy and Pro-Vice Chancellor of Reading University until his retirement. Chairman of the Apple and Pear Research Council, the United Kingdom Register of Organic Food Standards, and the Scientific Advisory Panel of the World Society for the Protection of Animals.

Members

Robin Lucas – Retired Director of Daylay Foods Limited. Developed alternative systems of egg production for Daylay and recently assisted in the development of the RSPCA's Freedom Foods standards for laying hens.

Glenn Berry* – Chartered Secretary employed by Somerset County Council and responsible for enforcement of animal health and welfare legislation. Member of the National Animal Health and Welfare Panel.

Dr Murray Black* – MBE, JP, Bsc, PhD, ARICS – Farms Director and Senior Lecturer in agriculture at University of Edinburgh.

James Dewhirst* – Farmer whose enterprises include cattle and pigs. He is a Member of the British Pig Association Producers Committee.

Tim Harris* – Managing Director, with practical farming experience, of a specialist livestock transporting company.

Mrs Fiona Hodgson* – Managing Director of an interior design company. Former Secretary of the Animal Welfare Committee of the National Council of Women and a Member of World Wildlife and Friends of the Earth.

Clive Hollands OBE* – Secretary of the Committee for the Reform of Animal Experimentation and former Member of the Home Office Animal Procedures Committee. Consultant to Advocates for Animals and the St Andrew Animal Fund.

Robert Macpherson MRCVS* – Farmer and veterinary surgeon. He is a former Member of the Council of the Royal College of Veterinary Surgeons.

Paul Staines MBE* – Director of a farm buildings and equipment company. Formerly a pig farmer.

Mrs Josephine Turnbull JP* – Qualified solicitor but not in practise. She is a Member of the Parole Board and Regional Consumer committee on water supply. She is vice-chair of District Health Authority.

FOOD ADVISORY COMMITTEE

Deputy Chairman

Roger Manley* – Controller of Trading Standards for the Cheshire County Council. He is also Secretary of the Society of County Trading Standards Officers and a member of the Quality Standards Panel of the Local Authorities Co-ordinating Body of Trading Standards. He has served on the FAC as a member since 1983.

Members

Malcolm Barnett – Public Analyst for five Shire Counties and nine London Boroughs and a partner in the analytical consultancy practice, Central Scientific Laboratories. President of the Association of Public Analysts. Member of the Local Authorities Co-ordinating Body on Food and Trading Standards' Food Safety Panel and microbiology working groups and a member of

the Ministry's Working Party on Food Authenticity's sub-panel on past products. He is also a member of the local authority liaison groups with trading standards and environmental health officers in the East Midlands and London.

Neville Craddock – Group Regulatory and Environmental Affairs Manager with Nestle UK Ltd, with responsibilities for all regulatory issues affecting the company's products and for its corporate environmental policy. He has held positions in Bowyers Ltd and Dalgety-Spillers (Lucas Ingredients) Ltd. He represents Nestle and UK industry through membership of numerous UK and European Trade Associations. Chairman of the Food and Drink Federation's Law Panel and a member of its labelling Panel, Hygiene Group, Novel Foods and Biotechnology Group and General Additives Group. He also sits on the Legislation and Technical Committees of the UK Association of Frozen Food Producers, the Ice Cream Federation and the British Meat Manufacturers' Association.

Mrs Dorothy Craig MBE – Member of the Executive Committee of the National Federation of Consumer Groups and a member of the Consumers in Europe Group's Food Working Party. Member of the board of the United Kingdom Register of Organic Food Standards, Member of the Advisory Group on Veterinary Residues and a member of the Tyneside Consumers' Group. Former member of MAFF's Consumer Panel. She is also a magistrate.

Professor Catherine Geissler – Professor of Nutrition at the Department of Nutrition and Dietetics, Kings College, University of London, and has been Head of that department for the past five years and Head of the Division of Health Sciences for the past year. She is a member of the British Nutrition Society, the American Institute of Nutrition, the Society of International Nutrition Research and the Association for the Study of Obesity. She is on the editorial board of the Ecology of Food and Nutrition Journal of the Science of Food and Agriculture and the International Journal of Food Science and Nutrition and is a reviewer for several journals. She is author or co-author of over a hundred publications, including academic journal articles, research reports, reviews and books.

Professor Alan Malcolm – Director of the Institute of Food Research.. Vice Chairman of the Office of Science and Technology's Foresight Food and Drink panel and Chairman of The Biochemical Society. Former Director General of the Flour, Milling and Baking Research Association, Chorleywood and prior to that Professor of Biochemistry at Charing Cross and Westminster Hospital Medical School, University of London

Professor Susan Shaw – A Deputy Principal of the University of Strathclyde and Professor of Marketing. Director of the Strathclyde University Food Project. Member of Food From Britain Council and member of the Biotechnology and Biological Sciences Research Council's Food Directorate. Director of the Scottish Soft Fruit Growers and is author or co-author of many publications including the Strathclyde Study of the Future of Wholesale Markets.

Mrs Barbara Saunders* – Freelance consultant on consumer policy and a part-time consultant for Consumers in the European Community Group (CECG). Former member of the European Commission's Consumer Consultative Committee. She has written a book on Food Additives and has contributed extensively to research papers for the CEGC, European Bureau of

Consumer Unions and Consumers' Association. Former Deputy General Secretary of the National Federation of Women's Institutes.

Professor H Frank Woods* – Head of the Department of Medicine and Pharmacology, Royal Hallamshire Hospital and Dean of the Faculty of Medicine, University of Sheffield.

HILL FARMING ADVISORY COMMITTEE

Deputy Chairman

John Vaughan* – Farms 890 acres with 100 suckler cows and 1,800 sheep. He is a member of the Royal Welsh Agricultural Society Board of Management and Chairs its Editorial and Publicity Committee. Past Chairman of Montgomery NFU County Branch and of Montgomery Farm Management Association. He also sits as a JP on the Welshpool Bench.

Members

Hugh R Thomas – Resident Land Agent for an estate on Exmoor farming 7314 acres with 300 single suckler cows and 3000 ewes.

Mrs Esther B Cummins – In partnership with her husband, farms Welsh Black Cattle and sheep on 38 hectares, 36 hectares of which are classified as severely disadvantaged at Knighton on the South Shropshire border. The family farm is a traditional LFA holding within the Clun ESA. She is a Member of the Regional Panel for the Ministry's North Mercia Region.

Mrs Pamela A Broadhurst – Farms with her husband 150 acres in N W Derbyshire; has a flock of Derbyshire Gritstone ewes and small suckler cow herd. She also runs a bed and breakfast enterprise and lets out three self catering holiday cottages on the farm. Mrs Broadhurst is a Committee member and a former Chairman of the Peak District Farm Holidays and Regional Representative to Farm Holidays Bureau. She is also a Committee member of the Derbyshire branch of the CLA and Rural Development Commission. Mrs Broadhurst is a member of the Regional Panel for the Ministry's east Midlands region.

William Cockbain – Farms 576 hectares in the Lake District of which 400 are part of the Armboth Fells Special Site of Scientific Interest. He is Chairman of the Keswick NFU Branch and is a Member of the NFU Cumbria County Executive. He is also NFU Cumbria delegate to the Farm and Wildlife Advisory Group and past Chairman of the Cumbrian Hill Farming discussion group.

Mrs Ann Hayton – Farms in Cumbria. She is Chairman of the Park Management Committee for the Lake District National Park and Chairman of the Cumberland Branch of the Country Landowners' Association.

Cyril T Lewis* – Farms in the Mignint, Gwynedd his holding carrying 800 sheep. He is Secretary of the CAMDA group breeding scheme for Welsh Mountain ewes, a Board Member of Farm Assured Welsh Lamb, a member of the MLC Liaison Committee for Wales and is a past Chairman of the Welsh Mountain Sheep Society. In 1979 he visited Australia and New Zealand on a Nuffield Scholarship to study their sheep breeding schemes. He is an Associate

of the Royal Agricultural Society, a member of the Advisory Committee of the Hill Sheep Project at the Scottish Agricultural Colleges in Edinburgh. He is a member of the Penmachno Community Council.

Richard M Howells* – Farms 1,800 acres in the uplands of South Wales. Stock comprises 2,800 Welsh breeding ewes and 50 suckler cows. He represents Wales on the MLC's Land Promotion Council and represents Glamorgan on the NFU Welsh Livestock Committee and the national LFA Committee. He is a member of the Board of Welsh Lamb Enterprise and is a member of the Agricultural Advisory Panel for Wales.

Philip Cornelius* – Farms beef and sheep on 155 hectares on the edge of Bodmin Moor. Past Chairman of the Cornwall NFU and a member of its Regional Livestock Committee and Cornwall Hill Farming, Less Favoured Areas and Marginal Land Committees. Member of the british Wool marketing Board's South West Regional Committee.

Mrs Anthea Cowan* – Farms in the Yorkshire Dales National Park, North Yorkshire. The farm is 200 hectares and the main enterprise is breeding ewes. The holding also has a holiday cottage and a bunk house barn.

John Dowson* – Farms 136 hectares of grassland and 515 hectares of hill land on which he grazes ewes and suckler cows. He is Director of Middleton-in-Teesdale Farmers Mart and the past Chairman of the North Riding and Durham County Livestock and LFA Committee.

Mrs Joyce Gilman* – Farms on the edge of the Peak District with ewes, suckler cows and fattening cattle from grass and home grown cereal. She is a past Vice Chairman of the Women's Farming Union. She runs an Agricultural Marketing Consultancy and is the negotiator for the Downland Group of Animal Health Companies.

Mrs Gwenfair Jones* – Farms 680 acres of hill land carrying 60 cows and 1,000 hill breeding sheep with her two sons. She is a renowned spokesperson and is responsible for a well known pedigree Welsh Black herd. One farmhouse has been converted for use as self-catering holiday accommodation.

Mrs Rosemary Mudge* – Farms in partnership with her husband a 454 hectare Duchy of Cornwall hill farm. The holding carries suckler cows, breeding ewes and a small herd of Dartmoor ponies. She is a member of the Dartmoor National Park Committee, the Dartmoor Commoners Council, Dartmoor Forest Parish Council and a Governor of Princetown Primary School. She is also an active supporter of the Dartmoor Pony Scheme.

Campbell Tweed HNDA, FRAGs* – Farms 670 hectares in County Antrim of which 530 hectares is rough hill land. 140 hectares grass all in the LFA. He has approximately 260 cows and 2,000 breeding ewes. He was awarded a Nuffield Scholarship in 1993. He is Past Chairman of the Ulster Farms' Union Cattle and Sheep Committee. Past President of the Ulster Grassland Society, a member of the Ulster Farmers' Union LFA cattle and sheep Committees and the Historic Monuments Council.

REGIONAL PANELS

Anglia

Members

Miss Caroline Chivers* – Managing Director of Chiver Ltd. The farm comprises 1,080 hectares, which is mixed arable and fruit enterprises. There is however a retail dairy although there is no livestock on the farms. A 'Pick Your Own' fruit scheme and a farm shop are in operation.

Mrs Anne Chamberlain – Director and shareholder of the Chamberlain Partnership Consultancy. She is currently the Editor of Farm and Country and the RASE's quarterly magazine. Member of the Sugar Beet Research and Education Committee and formerly Deputy President of the College of Health.

John Cousins – Farmer. Director, Farming and Wildlife Advisory Group and Chairman of its Suffolk Branch. Director of Framlington Farmers and a Trustee of the Suffolk Wildlife Trust.

Mrs Julia Duffield – Partner in family farm, formerly National President of Women's Farming Union. She is also a member of Eastern Region's Fair Play for Women consortium.

East Midlands

Members

Dr Jane Carmichael MBE – Managing Director of Danisco Seed UK Ltd, a subsidiary of Danish Maribo, sugar beet specialists. A former member of the NIAB Sugar Beet Trials Advisory Committee and the Anglian Region Committee of the National Rivers Authority, a former Chairman of the British Sugar Beet Producer Association. She is a current member of the British Society of Plant Breeders, and a MAFF representative on the NIAB Council.

Robert Bealby – Farmer. Member of the Wool Board Regional Committee. Former Chairman of the Nottinghamshire NFU.

Mike Calvert – General Manager CWS Agriculture. Board member ATB Landbase and a member of the Advisory Board of LEAF (Linking Environment and Farming).

Northern

Chairman

Alastair Wannop – Member of this Panel since April 1992. Farmer. Board Member of Northern Grain. Former Chairman of Cumbria NFU. A keen supporter of the Young Farmers' Club movement.

Member

Ms Rosie Barber – Tenant farmer. Has diversified into holiday cottages and encouraged environmental initiatives. Involved in school visits and work experience placements

North East

Chairman

John Rymer – JSR Farms Ltd. and JSR Healthbred Ltd. Former President of the National Pig Breeders Association. He has also served as Chairman of the Agricultural Training Board in Lincolnshire and Humberside, Member of the Government's Agricultural Priorities Board and Member of High Mowthorpe EHF Advisory Committee.

Member

Mrs Judith Bell* – With her husband, farms 120 ha of arable land. Operates a sheep milking enterprise from which she produces a wide range of cheeses. Member of the National Sheep Milking Association and on the Board of Management of the Yorkshire Pantry, a county wide group of Yorkshire fine food producers.

North Mercia

Chairman

Mrs Anne Williams CBE* – Runs a farm and visitors' centre. Past Chairman of the Staffordshire Women's Farming Union. Has served on the Executive Committee of the Borough of Stafford Tourist Association and is Vice Chairman of the Board of Governors of Stafford (Rodbaston) College of Agriculture.

Members

Mrs Esther Cummins – Farmer. The family farm is a traditional LFA holding within the Clun ESA. Member of the Hill Farming Advisory Committee.

Tom Wilson* – Vegetable and salad producer who farms 178 hectares of Grade 1 land in Merseyside, 49 hectares of which is cereals. Chairman of Lancashire Growers Training Group and a member of North West Fine Foods.

N H Moore* – Farms 90 hectares of mainly permanent grassland in Cheshire. His business consists of a dairy herd of more than 200 British Holsteins and a laying flock of 388,00 hens. He is Chairman of a Milk Producer Group, a founder member of the National Holstein Show Committee and an ex-executive member of the National Holstein Society.

T D Prince* – Farms a mixed enterprise with dairying, beef cattle, sheep and poultry within the Peak National Park and has diversified into a successful farm holiday business where particular attention is given to the provision of facilities for disbled guests, A member of the Staffordshire NFU Committee and a former County Chairman of Stafforshire Young Farmers.

South East

Member

C Anthony Hyde – Farmer and Business consultant (Chartered Surveyor). Secretary, British Institute of Agricultural Consultants, Chairman of BIAC Publicity and Development Committee. Chairman, British sheep Dairying Association. Past Chairman, Dorset Down Sheep Breeders Association.. Secretary, Kent Branch of Centre for Management in Agriculture.

South Mercia

Chairman

Mrs Judy Goodman – Farmer. Nationally acclaimed producer of free range geese. An active member of the Women's Farming Union. Was appointed as a member of the South Mercia Panel for a second term ending 31 March 1997; subsequently appointed as Chairman for an initial period up to 20 September 1998.

Members

James Marsden* – Senior Officer with English Nature, and respected environmentalist in his own right. Has particle interest in preserving endangered varieties of apples and owns a small orchard in Herefordshire.

Richard Vines* – Farmer. Major grower of potatoes as well as running a mixed arable and sheep enterprise. Under 30's Chairman of the Farmers' Club in 1992.

South West

Members

Mrs Helen Bowker – BSc(Hons) Agriculture, First Class from Wye College. Farms in partnership with her husband and has a small holding with beef and sheep.

Mrs Margaret Horrell JP* – Farmer and Dairy producer. County Councillor and a senior magistrate. Secretary of "Churches together in Cornwall". Member and past president of local Women's Institute. Chairman Governor of Callington School.

Mrs Felicity Luscombe – Farmer and former schoolteacher. Secretary of the Shaugh Prior and District Commoners Association.

Andrew May* – Daffodil and early potato producer in the Isles of Scilly. Past Chairman of Trenoweth Research Sub Station Advisory Committee. Founder and Director of Mainland Marketing, the Isles' flower marketing company. Member of the NFU Isles of Scilly Branch Committee and the local Round Table. Director of the Isles of Scilly Steamship Co. Ltd.

Alan Pomeroy – Dairy farmer. He has 5 farms covering 1,250 acres and runs 5 dairy herds with a total of 800 cows. He also keeps 1,500 store lambs, 22 beef animals and grows a small quantity of cereals for feed.

Wessex

Members

Ms Helen Browning* – Farms 1,350 acres, whose enterprise includes cereals and outdoor pigs. She took over the tenanct from her father in 1989 having managed the farm for three years prior to this. The farm is being converted to organic systems over a five year period with products being marketed through contracts or the farm's own shop. She has a degree in conventional agriculture and worked for a year as an ADAS Soil Scientist. She has studied organic methods and is Chairman of the Research & Development Committee of British Organic Farmers and a Member of the Home Grown Cereals Authority and of the Council of the Soil Association. She was Woman Farmer of the Year in 1990. Member of the CAP Reform Group.

Roger J A Martin* – Director of the Somerset Trust for Nature Conservation since 1998. His first career was in HM Diplomatic Service from 1964-86, where he was Deputy High Commissioner in Zimbabwe. He is a member of the NRS's Wessex Regional Flood Defence Committee, a former Wells City Councillor and a visiting fellow at Bath university and is on the National Executive of VSO. In 1993 he was elected Chairman of the Somerset Environment Forum and is 'green rep' for Somerset Chamber of Commerce.

Mrs Amanda Streatfeild* – Sales Manager of Denhay Farms Ltd, one of the largest farming companies in Dorset. The company produces Farmhouse Cheddar and Mrs Stretfeild is responsible for sales of Traditional Cheedars, Dorset Drums and Denhay Air Dried Ham. She is Parish Councillor and Vice Chairperson of the Governing Body of the local primary school. She is a founder member and secretary of Dorset Harvest and Chairperson of the Dairy Produce Committee, Royal Bath & West of England Society.

SEA FISHERIES COMMITTEES

Members

Cornwall

Trevor Platt – Fisherman/Vessel owner, Chairman of Padstow Fisherman's Society.

Devon

Anthony Powder – Fisherman/Vessel owner and skipper.

Isles of Scilly

Timothy Richards – Fisherman/Vessel owner and skipper, Boatbuilder.

Kent & Essex

Allen Griggs – Fisherman/Vessel owner and skipper.

North Eastern

Peter Davies – Fisherman/Vessel owner and skipper.

Chris Barugh – Fisherman.

Sussex

Anthony Delahunty – Fisherman/Vessel owner.

SPONGIFORM ENCEPHALOPATHY ADVISORY COMMITTEE

Chairman

Prof John R Pattison – Virologist. Vice Provost of University College, London and Dean of UCL Medical School, where he is also a Professor of Medical Microbiology. Was appointed as a Member of SEAC in 1994.

Members

Professor Jeffrey Almond – Virologist and Professor of Micro-biology at the University of Reading. His own laboratory has been engaged in BSE research for the last five years and he was co-ordinator of the BBSRC's BSE research programme from 1990 to 1994.

Ray Bradley CBE – Veterinary Pathologist and Chairman of the BSE sub group of the EC Scientific Veterinary Committee. He is a leading world expert on BSE.

Professor John Collinge – Head of the Prion Diseases Group at St Mary's college Hospital, London. He is a clinical neurologist and his group is active in research into BSE and other similar diseases, mainly using transgenic mice.

Dr Mike Painter – Consultant in Communicable Disease Control, City of Manchester.

Professor Peter Smith – Professor of Tropical Epidemiology and Head of department of Epidemiology and Population Sciences at the London School of Hygiene and Tropical Medicine.

SUGAR BEET RESEARCH AND EDUCATION COMMITTEE

Members

Mr Melvyn Askew Bsc Hons, M.Phil* – Head of Alternative Crops and Biotechnology, ADAS Wolverhampton. Member of Institute of Biologists, European Association of Potato Research, Institut International de Recherche Betteravieres and Groupe Consultatif International de Recherche sur le Colza.

Professor Roger Plumb Bsc. PhD* – Deputy Director of IACR Rothamsted and Head of Crop and Disease Management Department at IACR Rothamstead (Biotechnology and Biological Sciences Research Council). Member of Plant Varity and Seeds tribunal.

Christopher R A Carter – Director of Agriculture, British Sugar plc.

POTATO MARKETING BOARD

Member

J Fred Gibson – Managing Director of KP International, a subsidiary of the KP food group within United Biscuits. Also Managing Director of a 3,000 acre farming business and a wholly owned potato storage business. Since 1993 he has been a non-executive director of a large scale potato packer principally supplying Tesco Ltd.

MISCELLANEOUS BODIES

INTERVENTION BOARD

Member

Alan Marshall – Director of Unilever UK Ltd and formerly Chairman of Unilever Export International and of Unilever Pakistan Ltd. Member of the CBI Council; member of the CBI Education Foundation, and within it, Chairman of the National Education programmes Unit Advisory Council; Council Member of the Industrial Society; a member of Business in the Community's National Leadership team for Education; Council member of the Council for Industry and Higher Education; a Council member of the DTI's Committee on Middle East Trade; and a Council member of the Industry and Parliament Trust. He is also a member of the Royal Institute of International Affairs (Chatham House).

CENTRAL SCIENCE LABORATORY (CSL)

Members

Professor Diana Bowles – Chair of Plant Laboratory within the Department of Biology at York University.

Peter Jackson – Chief Executive of British Sugar plc.

VETERINARY LABORATORY AGENCY (VLA)

Member

Brian Hoskin – Recently held senior management position with Coopers (ICI) until they were taken over by Pittman Moore. Currently a member of the Medicines Commission

VETERINARY MEDICINES DIRECTORATE (VMD)

Member

Professor Sir James Armour – Until recently, was Vice Principal (Planning and External Relations) University of Glasgow. Is also a member of the independent committee that advises the Agriculture and Health Ministers on the registration of veterinary medicines and is Chairman of the Veterinary Products Committee.

MEAT HYGIENE SERVICE (MHS)

Members

John Barratt – Until 1993 was Managing Director of Barretts and Baird.

Arthur John Ellis CBE – Chairman of Ffyffes Group Limited.

Mrs Jill Moore OBE (Deceased) – Was a member of MAFF's Working Party on Food Authenticity (part of the Steering Group on Chemical Aspects of Food Surveillance). Also served on the Food Advisory Committee and on the Meat & Livestock Commission's Consumer Committee.

AGRICULTURAL DEVELOPMENT AND ADVISORY SERVICE (ADAS)

Members

Henry Fell – Involved with the family business Lindum Seeded Turf Ltd, and with the Meatlinc Sheep Co. Ltd. Serves on a range of committees including the Royal Commission on Environmental Pollution.

Arthur John Ellis CBE – Chairman of Ffyffes Group Limited.

NATIONAL RIVERS AUTHORITY

Member

Gerald C Manning OBE – Farmer and businessman. He temporarily vacated the Chairmanship of the South West RFDC in order to take up a short term appointment to the Board of the NRA which is due to be abolished on 31 March 1996. He is a former member of the Board of the South West Water Authority and a former Vice-Chairman of the Devon County Branch of the NFU.

NATIONAL INSTITUTE OF AGRICULTURAL BOTANY

Members

Robert G Hilborn – Chief Food Technologist, Sainsbury's. Member of Advisory Board for Linking Environment and Farming (LEAF); Member of 'LINK' Management Committee for MAFF Scheme on Sustainable Agriculture. Member of Produce Group 'British Retail Consortium, NFU Group on Intergrated Crop Management, and Food Advisory Board, University of Belfast.

R Bentley Nelstrop* – Farmer, Nelstrop Farms Ltd. 2,100 acre mixed arable and livestovk enterprise, small potato packing and engineering business, agricultural consultancy work. Member of NIAB Sugar Beet and Potatoes trials Advisory Committees.

Dr Jane Carmichael MBE* – Breeder, Managing Director Danisco Seed UK Ltd. Vice-Chairman of the British Sugar Beet Seed Producers Association. Member of MAFF Eastern Regional Panel and of the British Society of Plant Breeders' (BSPB) Communications Working Party.

* An asterisk indicates that this was a re-appointment.

RE3:01 – Environmentally Sensitive Areas

A performance indicator on the amount of staff time spent per ESA scheme application will be included in the 1997 Departmental Report.

RE3:02 – Conservation, Habitat Scheme and Access

The amount of staff time per Habitat Scheme application (Water Fringe and ex-Five-Year set-aside options only) was 5.9 days in 1994-95.

RE3:03 – Farm Woodlands

The staff time per FWPS application in England in 1994-95 was 1.08 staff days.

RE3:04 – Countryside Management

The staff time per wildlife licence application was 3.9 days.

CE1:02 – IACS

Farmers in England submitted 78,000 IACS applications by the 15 May deadline. 1995 targets for detailed administrative checks on at least 20% of applications and inspecting at least 5% of farms (including cases inspected via remote sensing) were met. Reports and statistics on the implementation of IACS were returned to the EC Commission on time. Formal targets for dealing with requests for new field numbers, based on the experience of the service to date, will be established within a year of launch of the service.

CE1:03 – Arable Area Payments

Administration costs as a proportion of Arable Area Payments

	1993-94	1994-95	1995-96
Administration	0.8%	0.6%	0.6%

Increased administrative efficiency is always a goal, but no target has been given as the level of payments varies greatly from one year to the next distorting this indicator.

Ninety-six per cent of claims by value should be processed by the relevant EC deadline.

CE1:11 – Oilseeds and other Arable Crops

A target of 96% of claims by value processed by the relevant EC deadlines, for advance and final oilseeds, and for main scheme payments, has been established to measure efficiency.

CCE1:13 – Alcohol and Alcoholic Drinks

The percentage of Export Certificates issued within the deadline was 100%. The percentage of enquiries to the Wine Standards Board from traders answered within the deadline was 100%.

CE1:21 – Sheep

MAFF aims to keep the administrative cost of the Scheme as low as possible.

MAFF Administration costs as a percentage of programme expenditure

	1993-94	1994-95	1995-96	1996-97
Sheep Annual Premium Scheme	1.5%	2.0%	2.0%	2.0%

While MAFF's objective is to seek greater administrative efficiency, no target beyond 1996–97 is given, as the level of payments which make up the programme costs can vary from one year to the next distorting this indicator

CE2:11 – Improved Marketing

The administration cost as a percentage of grant expenditure was 4.4p per £1 of grant awarded under Marketing Development Scheme and 1.3p per £1 awarded under the Processing and Marketing Grant.

CE2:20 – Plant Varieties and Seeds

MAFF would look to achieve a zero or less than zero percentage change in the average cost of:

a) Seed certification (i) per lot
(ii) per hectare

b) Obtaining and retaining plant variety protection for a period of five years.

c) Adding and maintaining a variety on the National list for a period of five years.

In 1995-96, there was no change in the average cost of a) or b). A 17.4% increase at c) was due to changed arrangements for the payment of trial fees as agreed with the industry.

CE2:34 – Fishery Management and Enforcement

The number of sightings by aerial surveillance was nine per hour.

The number of boardings as part of surface surveillance was 1.4 per day.

On land, the number of logbook returns and landing declarations processed per Inspectorate member was 867.

CE2:41 – Land Use and Tenure

As a indicator of efficiency, the percentage of planning applications referred to MAFF that receive a full response within deadlines set by local planning authorities will be measured for the year 1996-97. The results of this indicator will be first published in the 1997 Departmental Report.

IR1:01 – Audit

Performance would ideally be gauged by finding an indicator which measured the department's probity and financial regularity. At a lower level, it is possible to measure the Audit team's efficiency and effectiveness in two ways:

a) Quantitatively: This includes the time taken to issue reports to auditees (target six weeks – achieved in 1995-96, seven weeks) and the percentage of recommendations accepted (target 75% – achieved in 1995-96, 90%)

b) Qualitatively: Through a Customer Satisfaction Questionnaire asking auditees to rate audit performance on quality of recommendations and usefulness of the audit (target rating 60% – achieved in 1995-96, 70%). In addition, the internal audit unit is a member of an inter-departmental quality review group where peer reviews of conformance with standards are undertaken.

MAFF aims to keep the cost of audit to a minimum consistent with the need to provide an acceptable service. Constant reviews of procedures particularly the application of IT has allowed staff numbers to be reduced. Overall the cost of audit in 1995-96 was 0.07p per £ of MAFF gross expenditure (1994-95 0.08p per £, 1993-94 0.09p per £).

IR1:02 – Legal Services

	1992-93	1993-94	1994-95	Estimated Outturn 1995-96
Number of Bills	0	1	1	0
% deadline met	N/A	100%	100%	N/A
Number of SIs	161	169	150	150
% deadline met	>80	>90	>90	>90

IR1:04 – Economics and Statistics

The following performance indicators address the objective of minimising the cost to MAFF and industry of maintaining and improving MAFF's statistical database.

	Indices in real terms 1994-1995 = 100				
	1994-95	1995-96	1996-97	1997-98	1998-99
Cost to MAFF					
– NFS	100	101	98	102	105
– FBS	100	101	98	96	94
Cost to farmers of regular statistical surveys	100	85	80	70	65

IR1:05 – Information Technology Services

	1995-96 Target	1995-96 Outturn
% of IS/IT projects completed to time and budget	85%	88%
% of central computer availability within the banded limit	98%	99.4%

IR2:01 – Financial Planning and Control

For the financial year 1994-95 MAFF set a purchasing savings target of 5.5% (£7.2 m) Information to confirm that the performance measure has been met is still being collated. For the financial years 1995-96, 1996-97 and 1997-98 MAFF has set purchasing savings targets of 5.5% (£7.2 m) 6% (£8.0 m) and 7% (£9.1 m) respectively.

IR2:02 – Staff Inspection and Consultancy

Performance would ideally be measured by an assessment which indicated at what level of resources the department would be running with maximum efficiency and effectiveness. At a lower level the efficiency of the Staff Inspectorate is measured:

a) Quantitatively: This includes the number of reports issued to clients within the timescale agreed with clients (100% in 1994-95) and the amount of 'direct' time devoted to assignment work (72% in 1994-95 against a target of 70% in line with good commercial practice).

b) Qualitatively: Where Customer Satisfaction Questionnaires are sent to all clients asking for comments on a range of attributes including timeliness of delivery and quality of advice. In 1994-95 a rating of 92% was achieved against a target of 60%.

Annex 16: Indicators of MAFF's Administrative Efficiency

RSC COMPARATIVE PERFORMANCE DATA (%) FOR FINANCIAL YEAR 1994-95 UNLESS OTHERWISE SPECIFIED

		Bristol	Cambridge	Carlisle	Crewe	Exeter	Northallerton	Nottingham	Reading	Worcester	TOTAL(1)
Arable Area Payments Scheme	Applications	100	100	100	100	100	100	100	99	100	99
Advance Oilseeds	Payments	99	98	100	100	100	99	100	100	100	99
Final Oilseeds	Payments	100	100	100	99	100	99	100	99	100	99
Main Payments	Payments	99	95	99	99	100	99	99	99	99	99
Beef Special Premium Scheme [2]	Applications (B2) 1994	99	99	99	99	99	99	99	99	99	99
	Claims (B5) 1994	99	99	99	99	99	99	99	99	99	99
	Advance Payment 1994	98	96	97	95	98	98	98	99	99	98
Suckler Cow Premium Scheme [3]	Claims Year 1994	99	92	99	99	99	98	99	99	99	98
Hill Livestock Compensatory Allowance [4]	Claims 1995	89	–	82	86	83	83	90	–	85	85
Sheep Annual Premium Scheme	Claims Marketing Year 1994	93	88	96	96	94	95	94	93	93	94
Agricultural Improvement Scheme	Plan Claims	90	–	100	100	100	100	100	–	–	98
Environmentally Sensitive Areas[5]	Applications	100	100	84	100	99	100	100	100	100	98
	Claims	0	0	0	0	0	0	0	0	–	0
ESA Conservation Plan	Applications	98	100	97	100	100	83	100	100	100	98
	Claims	100	100	96	100	100	100	100	100	–	99
Farm and Conservation Grant Scheme1989	Plan Claims	–	–	100	100	100	100	–	–	–	100
	Non Plan Claims	93	92	98	100	99	99	99	98	100	98
Farm and Conservation Grant Scheme 1991	Plan Applications	100	100	100	100	98	100	100	–	100	99
	Plan Claims	96	95	99	100	99	100	100	93	96	98
Farm Woodland Premium Scheme [5]	Applications	100	99	100	100	100	91	96	100	100	98
	Claims	0	0	0	0	0	0	0	0	0	0
Injurious Weeds	Complaints	100	100	–	100	97	96	100	–	100	99
Nitrate Sensitive Areas Pilot	Claims	100	–	–	100	–	100	100	95	100	99
1994 (new) NSA Scheme [6]	Applications	–	25	–	70	–	–	–	–	69	55
Protection Of Badgers Act 1992	Licence Applications	95	100	100	100	100	100	100	100	100	99
Five Year Set Aside	Claims	100	100	100	100	100	100	100	100	100	100
Short Term Lettings	Applications	99	100	100	100	100	100	100	82	100	98
Strychnine Permits	Applications	97	99	93	100	99	99	99	99	99	98
Wages	Complaints	–	–	100	100	–	100	–	81	–	95
Wildlife & Countryside Act	Applications	91	100	100	100	100	100	100	93	79	96
Correspondence [7]		97	97	90	98	96	97	98	98	98	97

(1) The total percentage has been calculated by setting the entire number of applications or claims cleared within the target time against the total number received.

(2) The period covered is January to December 1994 except for payments where the period covered is 1 November 1994 to 31 January 1995 (or three months from the end of the retention period for claims made after 1 November).

(3) The period covered is July 1994 to March 1995.

(4) The period covered is November 1994 to March 1995.

(5) **ESA and FWPS Claims**
Due to a combination of changes in FEOGA reimbursement dates and the difficulties of linkage with Charter targets and payment dates, all payments were made after the target date for 1994/95, most were late by two or three weeks.

(6) **1994 (new) NSA Scheme**
The majority of applications were received at the end of the application period causing overload. Also, the operation of this new scheme proved more complicated than expected.

(7) The period covered is January to March 1995.

GENERAL NOTE: Entries have not been made where the number of cases dealt with were ten or less. However, these numbers have been included in the calculation of total percentage success rates (see footnote 1). The Agriculture and Horticulture Development Scheme and Farm Diversification Grant Scheme have both been omitted from the table as the numbers involved are de minimis.

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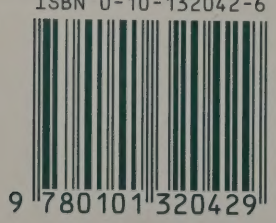
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Comments on the Report should be addressed to

Neil Witney
Ministry of Agriculture, Fisheries and Food
Room 432, 19-29 Woburn Place
London WC1 0LU.
Telephone 0171-917 3700.
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